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LEGISLATIVE HISTORY

Public Law 793--80th Congress

Chapter 685--2d Session

H. R. 6801

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FOREIGN AID APPROPRIATION ACT, 1949. Appropriates \$4,000,000,000 to carry out the provisions of the Economic Cooperation Act of 1948, for the first 15 months of the program (April 3, 1948 to June 30, 1949), with provision that the funds may be apportioned for obligation or may be obligated and expended, if the President determines it necessary, during the first year of the program (April 3, 1948 to April 2, 1949); provides that of the \$4 billion, \$20,000,000 shall be available for aid to Trieste; and makes the following additional appropriations: International Children's Emergency Fund, \$35,000,000, fiscal year 1949; assistance to Greece and Turkey, \$225,000,000, fiscal years 1948 and 1949; assistance to China, \$400,000,000 for period from April 3, 1948 to April 2, 1949; government and relief in occupied areas, Army Department, \$1,300,000,000, fiscal year 1949; and International Refugee Organization, \$70,710,228, fiscal year 1949. The Act also authorizes use of the funds for occupied areas for economic rehabilitation in Japan, Korea, and the Ryukyus, in a manner consistent with the objectives of the Economic Cooperation Act of 1948; provides for the use of funds for occupied areas to pay ocean transportation charges from U. S. ports to ports in Japan, Korea, and the Ryukyus on relief supplies donated by U. S. nonprofit relief agencies and on relief packages consigned to individuals in those countries; provides that no funds under the Act shall be used for the purchase in bulk of any commodities (other than those procured by or in the possession of CCC under the Steagall amendment) at prices higher than the market price prevailing in the U. S. at the time of purchase, with adjustments for transportation costs, quality, and terms of payment; provides that no funds under the Act shall be available for the purchase of wool other than from existing CCC stocks, unless or until such stocks are exhausted; sets a \$75,000,000 limitation on the export of farm machinery, including tractors, to ERP countries during the first 15 months of the program; provides for transfers by ECA to participating countries, under certain conditions, of commodities for which a nonparticipating country had contracted prior to March 1, 1948, and for which an export license is denied under the Export Control Act; provides that not less than 50% of the U. S. export requirements of nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) for nonoccupied areas shall come from plants operated by or for the Army Department; and provides that the Army Department shall make available for nitrogenous fertilizers for domestic use 10% of the total anhydrous ammonia produced in the U. S. by Army plants, distribution to be made by the Commerce Department with preference given to certain producers of ammonium sulphate; and authorizes the Army Department to produce and sell, in addition to its production for occupied areas, such nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) required for U. S. exports to nonoccupied areas or for the production of nitrogenous fertilizer materials for domestic use.

INDEX AND SUMMARY OF HISTORY ON H. R. 6801

February 3, 1948	Documents: The estimates upon which the bill is based are contained in House Documents Nos. 522, 610, 639, and 659.
April 20, 1948	Hearings: House, H. R. 6801, Pt. 1.
May 11, 1948	Hearings: House, H. R. 6801, Pt. 2.
May 13, 1948	Hearings: Senate, H. R. 6801.
June 3, 1948	House Committee on Appropriations reported H. R. 6801. House Report 2173. Committee Prints of the bill and report. Print of the bill as reported.
June 4, 1948	House debated and passed H. R. 6801 with amendments.
June 7, 1948	H. R. 6801 was referred to the Senate Committee on Appropriations. Print of the bill as referred.
June 14, 1948	Senate Committee reported H. R. 6801 with amendments. Senate Report 1626. Print of the bill as reported.
June 15, 1948	H. R. 6801 was debated and passed by the Senate with amendments. Senate Conferees appointed. Print of H. R. 6801 with the amendments of the Senate numbered.
June 16, 1948	House Conferees appointed.
June 19, 1948	House received the Conference report. H. Rept. 2440. Both Houses agreed to the Conference Report.
June 28, 1948	Approved. Public Law 793.

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
THE DEPARTMENT OF STATE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1949 IN THE AMOUNT OF \$86,627,228 FOR THE DEPARTMENT
OF STATE

FEBRUARY 3, 1948.—Referred to the Committee on Appropriations, and ordered
to be printed

THE WHITE HOUSE,
Washington, February 3, 1948.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress supplemental estimates of appropriation for the fiscal year 1949 in the amount of \$86,627,228 for the Department of State in the form of amendments to the Budget for said fiscal year.

The details of the estimates, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., February 3, 1948.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimates of appropriation for the fiscal year 1949 in the

amount of \$86,627,228 for the Department of State in the form of amendments to the budget for said fiscal year, as follows:

DEPARTMENT OF STATE

INTERNATIONAL ACTIVITIES

On page 830 of the Budget, column 1, under the head "United States participation in international organizations," after line 41 of the paragraph, insert "International Refugee Organization (Public Law 146, 80th Congress), \$70,710,228, of which amount \$70,643,728 shall be available for contribution;"; in line 42, increase the total from "\$23,319,316" to "\$94,029,544"; and in line 50, before the word "and", insert "International Refugee Organization,"

(increase)-- \$70, 710, 228

The above estimate is required to meet the obligations of the United States as a member of the International Refugee Organization for the second financial year of that Organization. The estimate covers the United States share of the expenses of the agency and the expenses of the United States representative and staff at the seat of the Organization.

Determination of the second-year program of the International Refugee Organization and the United States share of the expenses thereof was not completed until after transmission of the budget for the fiscal year 1949.

On page 836 of the Budget, columns 1 and 2, delete the language under the head "International information and educational activities," Department of State, and insert in lieu thereof the following:

International information and educational activities: For expenses necessary to enable the Department of State to carry out international information and educational activities as authorized by the United States Information and Educational Exchange Act of 1948 (Public Law 402, approved January 27, 1948), including personal services in the District of Columbia; employment, without regard to the civil service and classification laws, of persons on a temporary basis (not to exceed \$50,000) and aliens within the United States; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946 (22 U. S. C. 801-1158), except title VII and title VIII; expenses of attendance at meetings concerned with activities provided for under this appropriation (not to exceed \$6,000); rental of tie lines and teletype equipment; printing and binding, including printing and binding outside the continental limits of the United States without regard to section 11 of the Act of March 1, 1919 (44 U. S. C. 111); hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase, rental, operation, and maintenance of printing and binding machines, equipment, and devices abroad; ice and drinking water for office purposes; acquisition, production, and free distribution of information materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes, of information and educational activities outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 per centum of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee), and the maintenance and operation of facilities for radio transmission and reception; purchase and presentation of various

objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, and the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without regard to section 3709 of the Revised Statutes; \$34,378,000, of which not to exceed \$3,470,000 may be transferred to the appropriations "Salaries and expenses, Department of State," "Printing and binding, Department of State," "Salaries and expenses, Foreign Service," "Living and quarters allowances, Foreign Service," and "Printing and binding, Foreign Service," under this title: *Provided, That*, notwithstanding the provisions of section 3679 of the Revised Statutes (31 U. S. C. 665), the Department of State is authorized in making contracts for the use of the international short-wave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities: *Provided further, That* in the acquisition of leasehold interests (which may be for one or more years) payments may be made in advance for the entire term or any part thereof: *Provided further, That* \$4,400,000 of this appropriation shall be available exclusively for the purchase, construction, and improvement of buildings and facilities and the purchase and installation of necessary equipment for radio transmission and reception, including the acquisition of land and interest in land (by purchase, lease, rental, or otherwise) necessary therefor, all without regard to section 3709 of the Revised Statutes----- (increase)-- \$15,917,000

This supplemental estimate replaces the estimate of \$18,461,000 included in the 1949 Budget transmitted to the Congress on January 6, 1948 under the heading "International Information and Educational Activities." It contemplates an expanded program in the critical field of foreign information activities as authorized by the United States Information and Educational Exchange Act of 1948 (Public Law 402, approved January 27, 1948).

No supplemental estimate is transmitted at this time for further programs for the interchange of persons, knowledge and skills between the United States and other nations as authorized by the above act. Plans for such programs are now being formulated and it is contemplated that necessary estimates of appropriation will be submitted at a later date.

The 1949 Budget took into account the need for these supplemental appropriations. I recommend that they be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.



SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
EXPENSES OF THE EUROPEAN RECOVERY PROGRAM

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1948 IN THE AMOUNT OF \$4,245,000,000 FOR EXPENSES OF
THE EUROPEAN RECOVERY PROGRAM

APRIL 14, 1948.—Referred to the Committee on Appropriations and ordered
to be printed

THE WHITE HOUSE,
Washington, April 14, 1948.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to submit herewith for the consideration of the Congress a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$4,245,000,000 for expenses of the European recovery program.

The Congress, by enacting the Economic Cooperation Act, has recognized the imperative need for prompt American assistance to the free peoples of Europe. For this purpose, appropriations of \$4,300,000,000 for the first year of the European recovery program were authorized. I urge that this full amount, less \$55,000,000 already appropriated by the Congress to prevent a break in the pipe line of essential supplies, be appropriated at this time.

The details of this estimate, the necessity therefor, and the reasons for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., April 13, 1948.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$4,245,000,000 for expenses of the European recovery program, as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN ASSISTANCE

Economic cooperation: For expenses necessary to carry out the provisions (except subsection 103 (b)) of the Economic Cooperation Act of 1948 (title I of Public Law 472, approved April 3, 1948) until April 3, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation; purchase (including one at not to exceed \$3,000) and hire of passenger motor vehicles; purchase, maintenance, and operation of aircraft; deposits in the Treasury for penalty mail (39 U. S. C. 321d); payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment; exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$4,245,000,000, of which not to exceed \$200,000 shall be available for expenditures of a confidential character under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein certified.

This estimate of appropriation is to provide funds to carry out the purposes of the Economic Cooperation Act of 1948 (title I of Public Law 472, approved April 3, 1948), which authorized this Government to extend assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation. The authorized program is \$5,300,000,000, of which Congress has already provided \$1,000,000,000 in the form of a public-debt transaction. Congress has also appropriated \$55,000,000 to insure an uninterrupted flow of essential commodities during the first part of the period covered by this estimate. This amount has been deducted in arriving at the estimate now proposed.

The assistance will be in the form of commodities and services essential to an effective start on European recovery. The estimate also includes provision for transfer guaranties of investments made by United States citizens in European enterprises conducive to the joint recovery effort, as well as for ocean freight charges on private relief shipments as provided in the Economic Cooperation Act.

Although the import requirements of the European countries have been computed on the minimum basis necessary to the achievement of the production goals on which European recovery depends, funds

provided by this estimate will not wholly suffice to meet these necessary import requirements. After full allowance for all possible sources of assistance, the European countries will, on the basis of present estimates, still have an uncovered import deficit of over \$450,000,000. Although extraordinary efforts by the European countries may make it possible to achieve the program goals despite this deficit, it is all the more imperative that the full amount proposed in this estimate be appropriated.

I recommend that the foregoing estimate be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
- *Director of the Bureau of the Budget.*



SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
FOREIGN RELIEF AND ASSISTANCE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEARS 1948 AND 1949, IN THE AMOUNT OF \$818,000,000, FOR FOR-
EIGN RELIEF AND ASSISTANCE

MAY 10, 1948.—Referred to the Committee on Appropriations and ordered to be
printed

THE WHITE HOUSE,
Washington, May 10, 1948.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress supplemental estimates of appropriation for the fiscal years 1948 and 1949, in the amount of \$818,000,000, for foreign relief and assistance.

The details of the estimates, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 10, 1948.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimates of appropriation for fiscal years 1948 and 1949,

in the amount of \$818,000,000, for foreign relief and assistance, as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN ASSISTANCE

Foreign aid: For an additional amount for "Foreign aid," to provide assistance to the Free Territory of Trieste, or either of its zones, as authorized by the Foreign Aid Act of 1947 (Public Law 389, approved December 17, 1947), as amended by section 103 (b) of the Economic Cooperation Act of 1948 (title I of Public Law 472, approved April 3, 1948), \$20,000,000, to remain available until June 30, 1949.

An appropriation of \$20,000,000 is requested to finance imports needed to prevent disease and unrest in the United States and United Kingdom zones of the Free Territory of Trieste during the period from April 1, 1948, to June 30, 1949. These imports have been financed under the foreign relief program (Public Law 84, 80th Cong. Accordingly, an additional appropriation is needed to assure economic stability in this area occupied by United States armed forces.

International Children's Emergency Fund: To enable the President during the fiscal year 1949 to carry out the provisions of the International Children's Emergency Fund Assistance Act of 1948 (title II of Public Law 472, approved April 3, 1948), \$60,000,000.

An appropriation of \$60,000,000 is estimated as necessary to provide funds for the United States contribution to the International Children's Emergency Fund during the fiscal year 1949. Public Law 472 authorizes United States contributions equal to 72 percent of the contributions by all governments. The international agency's proposed program through the next fiscal year would provide a supplemental diet for 5.5 million children and expectant and nursing mothers in 13 countries and would also furnish badly needed medical supplies and raw materials for children's clothing and footwear.

Assistance to Greece and Turkey: For an additional amount for "Assistance to Greece and Turkey," as authorized by the Act of May 22, 1947 (Public Law 75) as amended and supplemented by the Greek-Turkish Assistance Act of 1948 (title III of Public Law 472, approved April 3, 1948), \$275,000,000, which, together with the amount heretofore appropriated under this head, shall remain available until June 30, 1949; and the limitation under this head in The Supplemental Appropriation Act, 1948, on the amount available for administrative expenses, is increased from "\$4,500,000" to "\$4,900,000," and the limitation under said head on the amount available for such expenses in the District of Columbia is increased from "\$300,000" to "\$400,000": *Provided*, That said limitations shall apply only to the administrative expenses of the Department of State: *Provided further*, That any funds heretofore or hereafter allocated under authority contained in section 2 (a) of the Act of May 22, 1947 (Public Law 75), as amended, shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, or independent establishment to which allocated.

The recommended appropriation for additional assistance to Greece and Turkey is necessary for the continuation of the military portion of the Greek-Turkish aid program first authorized under Public Law 75, approved May 22, 1947. The amount requested will provide the additional funds now needed to aid Greece and Turkey in effectively resisting threats to their independence.

Assistance to China: For expenses necessary to carry out the provisions of the China Aid Act of 1948 (title IV of Public Law 472, approved April 3, 1948), until April 3, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation; purchase and hire of passenger motor vehicles;

purchase, maintenance, and operation of aircraft; deposits in the Treasury for penalty mail (39 U. S. C. 321d); payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); health service program as authorized by law (5 U. S. C. 150); transportation of privately owned automobiles; entertainment; exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$463,000,000, of which \$125,000,000 shall be available exclusively for the purpose of subsection 404 (b) of said Act.

The appropriation requested for assistance to China includes \$278,000,000 for financing imports essential for maintenance of the Chinese civilian economy, \$60,000,000 for financing rural rehabilitation and for key reconstruction projects in areas sheltered from hostilities, and \$125,000,000, for grants without regard to the Economic Cooperation Act of 1948. The recommended appropriation will aid in relieving human suffering and in retarding economic retrogression. It will also give the Chinese Government additional time for developing an effective program of self-help.

I recommend that the foregoing estimates be transmitted to Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.



REVISION OF APPROPRIATION LANGUAGE FOR THE
CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REVISION OF THE APPROPRIATION LANGUAGE FOR FISCAL
YEAR 1949, INVOLVING AN INCREASE IN THE AMOUNT OF
\$150,000,000 FOR CIVIL FUNCTIONS, DEPARTMENT OF THE
ARMY

MAY 19, 1948.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, May 19, 1948.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of
of the Congress a revision of the appropriation language for fiscal
year 1949, involving an increase in the amount of \$150,000,000 for
civil functions, Department of the Army, in the form of an amendment
to the Budget for said fiscal year.

The details of this revision, the necessity therefor, and the reasons
for its submission at this time are set forth in the letter of the Director
of the Bureau of the Budget, transmitted herewith in whose com-
ments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,

Washington 25, D. C., May 18, 1948.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a revision of the appropriation language for fiscal year 1949, involving an increase in the amount of \$150,000,000 for civil functions, Department of the Army, in the form of an amendment to the Budget for said fiscal year as follows:

NATIONAL MILITARY ESTABLISHMENT

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

Budget page	Heading	Original estimate	Change to—	Increase
719	Government and relief in occupied areas.....	\$1,250,000,000	\$1,400,000,000	\$150,000,000

Delete the entire item and substitute the following:

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of certain foreign areas, including such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; personal services in the District of Columbia and elsewhere; and, subject to such authorization and limitations as the Secretary of the Army may prescribe, tuition, personal allowances (not to exceed \$10 per day), travel expenses (not to exceed those authorized for like United States military or civilian personnel), and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of \$50 per day, and travel expenses for individuals; translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; expenses incident to the operation of schools for American children; printing and binding; hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; contingencies for the United States Commanders of foreign areas, to be expended in their respective discretion (not exceeding amounts authorized or approved by the Secretary of the Army); \$1,400,000,000: *Provided*, That when military personnel of the Department of the Army are employed primarily for the purposes of this appropriation, the mileage and other travel allowances to which they may be entitled shall be paid herefrom: *Provided further*, That the general provisions of the Appropriation Act for the fiscal year 1949 for the military functions of the Department of the Army shall apply to this appropriation: *Provided further*, That expenditures from this appropriation may be made outside the continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, 3709 and 3734, Revised Statutes, as amended, civil-service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in Japan, Korea, and the Ryukyus in such a manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948.

Funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services as may be necessary to assist in the maintenance of the political and economic stability of such area: *Provided*, That before any such assistance is made available, an agreement shall be entered into between the

United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes: *And provided further*, That such agreement shall, where applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, 80th Congress).

This language substitution is made necessary in order that this appropriation will be available for expenses incident to economic rehabilitation of occupied areas other than those areas provided for under the Economic Cooperation Act of 1948. The change in the amount to be appropriated is necessary on account of the increase in the scope through the combination of programs to be financed by this revised appropriation.

I recommend that the foregoing amendment to the Budget be transmitted to the Congress.

Respectfully yours,

FRANK PACE, Jr.,
Acting Director of the Bureau of the Budget.

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NOTICE.—This report is given out subject to release when consideration of the bill which it accompanies has been completed by the whole committee. Please check on such action before release in order to be advised of any changes.

80TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } No. 2173

FOREIGN AID APPROPRIATION BILL, 1949

JUNE 3, 1948.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TABER, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. —]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 522, 610, 639, and 659, the latter of which supplements regular budget estimates for government and relief in occupied areas contained on page 719 of the printed Budget.

SCOPE AND PURPOSE OF THE BILL

The bill as drawn is the result of committee consideration of all activities contemplated under the Foreign Assistance Act of 1948, namely, Economic Cooperation, assistance to Trieste, International Children's Emergency Fund, assistance to Greece and Turkey, and assistance to China, in addition to estimates for financing Government and relief in occupied areas and the International Refugee Organization.

Total budget estimates considered for the seven foreign aid and reconstruction activities encompassed in the bill is \$6,533,710,228. The total amount recommended by the committee is \$6,043,710,228,

a reduction of \$490,000,000 in the budget estimates. In addition, the committee has changed the date of availability of funds, in all cases where applicable, from April 3, 1949, to June 30, 1949, in the belief that the programs will not permit of the expenditure of more funds than has been provided for each program on an intelligent basis before the latter date. If, by chance, some emergency should arise before the end of the fiscal year the Congress will be in session in January to consider such emergency.

PREVIOUS AID

Although the facts are already well established, the committee does not feel it inappropriate to remind the membership of the House that since the beginning of fiscal year 1946, or the end of the war, this country has rendered foreign assistance through grants and credits in the net amount of \$18,182,000,000. The purpose of this aid was two-fold, first, through direct grants to help feed, clothe, and house the hungry and impoverished humanity left to suffer the ravages of the most devastating war in the history of mankind, and, second, through long-term loans, credits, and American skill to assist many of the nations of the world to reestablish their individual economies and thus promote and strengthen the entire international economic structure, an accepted prerequisite to the establishment of a lasting peace. In addition, the United States has invested in the International Monetary Fund the amount of \$2,750,000,000 and has subscribed to capital stock of the International Bank, in the amount of \$635,000,000. Over and above this subscription to the capital stock of the International Bank, the United States has assumed a contingent liability to purchase additional stock in the Bank to the extent of \$2,540,000,000 whenever losses are incurred by the Bank.

Some of the aid given has been of benefit. Much of it, because of inefficiency of administration and perhaps constantly changing world conditions, has been wasted. The gradual but steady depletion of this country's resources makes it mandatory that the Congress take every reasonable precaution to safeguard the dwindling assets and domestic economy of this Nation through proper checks and controls of appropriated funds. The Foreign Assistance Act of 1948 provides for some of these controls. Other controls made necessary as a result of testimony before the committee and changed conditions since the enactment of the enabling legislation have been included in the accompanying bill.

ECONOMIC COOPERATION

For the Economic Cooperation Administration, the major item in the bill, the committee is recommending \$4,000,000,000, a decrease of \$245,000,000 in the budget estimate. The Economic Cooperation Act of 1948 authorizes a total of \$5,300,000,000 for the 16 European countries and western Germany for the period April 3, 1948, to April 2, 1949. Of this amount \$4,300,000,000 is to be provided in direct appropriations (\$55,000,000 already appropriated in Interim Aid Appropriation Act) and \$1,000,000,000 through the issuance by the Administrator of notes for purchase by the Secretary of the Treasury as provided for in section 111 (c) (2) of the act. The funds derived through the latter transaction are to be allocated to the Export-Import

Bank of Washington for assistance under credit terms. Against the appropriation of \$4,000,000,000 provided in the bill, the Economic Cooperation Administration has been advanced \$1,000,000,000 by the Reconstruction Finance Corporation.

The committee felt that the magnitude and far-reaching effects of this undertaking and the constantly changing conditions demanded an exhaustive and detailed study of the program and its financial aspects. While the enabling legislation was documented to a greater extent than perhaps any other piece of legislation proposed or enacted in recent years the hearings disclosed complete instability in the estimates and other data presented in justification of the amount requested. Furthermore, testimony indicated the absence of definite policy in the execution of many aspects of the program, principally because of insufficient time between enactment of the legislation and the date of appropriation hearings.

Fundamentally the estimates of requirements are based on the anticipated international balance of payments and the dollar balances, or lack of dollar balances, in each participating country.

It is admittedly impossible for anyone to state with any degree of assurance the actual needs of the participating countries within a billion dollars. World political and economic conditions are still too unstable to permit of long-term estimates. The economic forces that will be set in motion by the initiation of this program will undoubtedly afford the Congress an opportunity at a later date to more accurately evaluate the conditions in and requirements of this peace-hungry world and thus be in position to take such further constructive action as may be necessary. The world-trade patterns that will emerge from this program as well as their impact on world economy and, more specifically, on the economy and needs of the participating countries are, likewise, of so indefinite a nature at the present time as to make any predetermination of conditions and actual operations of the program for more than a few months impossible.

It should be pointed out that as a result of previous aid there remained on January 1, 1948, a total of \$3,600,000,000 in unutilized grants, loans, and property credits. Of this total something over \$2,000,000,000 is in the participating countries covered by the appropriation in the accompanying bill.

INTEREST AND AMORTIZATION OF UNITED STATES CREDITS

While amounts for the liquidation of previously extended United States credits were not included in the illustrative distribution of uses to which the authorized amount of \$5,300,000,000 would be applied, it is apparent that the net result of this appropriation is to permit the payment of invisible items, including interest and amortization on United States credits previously extended to the participating countries totaling \$288,900,000. It would seem that the Administration is, in this particular instance, not only disregarding the basic principles of sound business practice but also is in a sense undermining the character of international agreements. In other words, the effect of the operation of the bill as laid out by the State Department and presented to the committee by the head of the Economic Cooperation Administration would be that we would be furnishing the funds to these countries to pay their own debts to us. Anyone with the slightest experience in business realizes that when one owes a debt

and is not able to pay it, the way to maintain his morale is to extend the time for payment of his debt rather than, directly or indirectly, to pay the debt. If you give him the funds with which to pay the debt, he will expect the same treatment every time he owes any money and nothing but complete demoralization can result. The dollar deficits resulting from the debts of the participating countries to the United States should not, in the view of the committee, be considered as part of the immediate needs of a European recovery and reconstruction program.

COMMENTS ON CERTAIN COMMODITIES

The Administration estimates that upward of \$2,250,000,000 of the total authorization of \$5,300,000,000 will be expended for food requirements. Information made available to the committee both during and subsequent to the hearings indicates that many of the participating countries are going to have substantially larger food crops in the 1948-49 crop year than they had in the preceding crop year and that in many instances the crop yield will exceed the prewar level. The committee is advised that in Germany alone the potato crop will be 5,000,000 tons larger than last year and that in other countries it will be substantially larger. Wheat crops in major wheat-producing countries are greatly above the estimates on which the original requirements were based and the outlook is good for increased crops of barley, oats, and rye. There is every reason to believe that substantial savings can be effected in the food program and, in view of the favorable crop reports, effectively carried out with less than the \$2,250,000,000 originally estimated. Furthermore, while this country will still have an exportable surplus of wheat this coming crop year, the estimated yield will be from 250 to 350 million bushels less than last year's crop, and the quantities available for shipment will be half that available in 1948.

Prices of cotton, for which \$511,000,000 is estimated, have increased considerably since the date that discussion of the European recovery program was begun by the Congress. The price of cotton on May 26 was 38½ cents per pound or approximately 6 cents per pound higher than it was on February 14, and far higher than it was last fall. Prices of commodities purchased under the program should be reasonable and it must be the responsibility of each country to see to it that no individual or group of individuals obtains a corner on any market which would result in an increase in prices and thus jeopardize certain segments of the program if not the entire program. On the other hand, the Economic Cooperation Administration should by means of every power at its command guard the interests of this program and protect the taxpayers of this Nation by refusing to pay inflationary prices, some of which are already in evidence as a result of anticipatory buying, especially in connection with cotton.

The Administration estimates contain an amount of \$110,000,000 for the purchase of tobacco. While there may be reasons for the purchase of some tobacco there is serious doubt as to how much tobacco should be purchased during this period of dire need for more substantive aid, and purchases in the luxury category should be very carefully scrutinized.

It is contemplated to purchase some \$24,600,000 worth of wool. While wool is a commodity necessary in the general rehabilitation of

Europe, every effort should be made to purchase the type of wool that will serve the intended purpose at the lowest possible cost. The Commodity Credit Corporation, for example, has over 240,000,000 pounds of wool, one-half of it of the lower-grade variety not salable in the United States and purchased at a cost of 42 cents per pound. It is hoped that both our own and the European economy can be aided by the movement of this wool into export. Cotton cloth purchases are to be made in an estimated amount of \$72,600,000. In this item especially, but also in many other items contemplated in the program, it would seem that the raw material rather than the finished product should be exported in order that the expense of manufacture in this country may be avoided or minimized and at the same time the people of Europe given a greater opportunity to produce for their own needs.

Coal is a commodity that should be procured from sources nearest the consumers and greater emphasis should be placed on increasing the production of coal in Great Britain and Germany and the importation of coal from other sources, perhaps Poland, rather than exporting coal from this country at higher cost.

The committee is not wholly satisfied with the large-scale mechanization of farms in participating countries that is apparently proposed in the program. The shortage of steel and petroleum throughout the world, plus the general unfamiliarity of the average European farmer with mechanical farm equipment might prove costly and, in the final analysis, unproductive. While farm production must further be increased in these countries the proportion of large farms that lend themselves to production by means of mechanized equipment is small. This program should be embarked upon with extreme caution, and should not require the \$81,500,000 estimated for this purpose.

Truck and automobile registrations in these countries are substantial and in many instances exceed prewar registrations. Truck production in Great Britain, France, and Italy should be encouraged with the view of these countries supplying the European market to as great an extent as possible and at lower unit costs than prevail in this country, with resultant savings in the over-all program. Prudent buying, care in selection of commodities, and assurance that each commodity is actually required prior to the approval of purchases will make for economical operation.

MUTUALITY OF PURPOSE

Integral parts of any discussion of availability and supply of commodities under this program are the two principal deterrents to European recovery, namely, the unstable exchange conditions and intra-European tariffs and other trade barriers. It is felt that the exchange situation should gradually improve through the generally increased activity resulting from this program and through proper utilization of the local currency funds established in pursuance of provisions of the enabling act. However, the existing trade barriers can only be removed through the cooperation of the countries concerned and in consultation with the Administrator of the Economic Cooperation Administration. It is hoped that this basic problem can be corrected before the program gets too far under way. It is disheartening to read in the press that the fruits and vegetables of one participating country are rotting because for varying reasons that

country cannot avail itself of the markets of another participating country. There must be full cooperation on the part of the participating countries with the United States Government in clearing all obstacles interfering with the proper and effective functioning of the program. The "findings and declaration of policy" as expressed in section 102 (a) of the act is a lucid statement of the purposes of this far-reaching venture and clearly reflects the pattern within which aid is to be rendered. It must be a mutual undertaking between this country and the participating countries as a unit and individually between each of the participating countries.

CONDITIONS GOVERNING EXPENDITURES

It is the sense of the committee that relief in the form of grants should be limited insofar as practicable to food, fuel, fertilizer, and seed. The committee is of the further opinion that grants should be limited insofar as practicable to those countries which are unable to pay for the required imports through increased production. No European nation wants to remain on an indefinite dole from another nation and no nation can long afford to export its substance to another nation without a break-down in its own economy. Sacrifices must be made by all and each country's sacrifice should be understood by each other country.

The committee also feels that, as a practical matter of protecting our own economy to the greatest extent possible, the Administrator should, in connection with all purchases from nonparticipating countries, through prior agreement insure that sufficient United States dollar exchange acquired by the nonparticipating countries will be provided on reasonable terms for the importation of goods and services from the United States. Further, the Administrator should insure that adequate and mutually satisfactory arrangements are made for the remittance to the United States, of earnings, profits, interest, commissions and other services of investments of citizens of the United States, in the nonparticipating country.

ACTION OF COMMITTEE

The net result of the committee's action is a total availability of \$5,055,000,000 (including the public debt transaction of \$1,000,000,000) for a 15-month period, including Trieste and possible amounts for Japan, Korea, and the Ryukyus, for which separate estimates of appropriation were submitted to the Congress. The committee is not specifying the amounts that shall be available for the rehabilitation of the territories above named. As to Trieste, the committee recommends the same treatment as that accorded participating countries. It is believed that careful administration of this fund will meet the needs of the situation for a 15-month period. The Economic Cooperation Administration has already advised the committee of a lapse of \$7,000,000 in shipping costs, which would seem to point to a lag in the entire program.

INTERNATIONAL CHILDREN'S EMERGENCY FUND

The full amount of the budget estimate, \$60,000,000, is included in the bill for this activity, an organization established by resolution of the General Assembly of the United Nations. This amount supple-

ments the original authorization of \$40,000,000 contained in Public Law 84, Eightieth Congress. The total of these amounts would represent 72 percent, or our share of the total anticipated budget of the fund of \$139,000,000. Total United States contributions to the fund actually made is nearly \$28,000,000 against total contributions of about \$42,000,000. Accordingly, if the entire amount of \$100,000,000 provided by this Nation is to be utilized other nations will be expected to contribute an additional \$25,000,000. Up to the present time, contributions have been made by 19 countries. Allocations of budgeted funds have been made to 13 countries in the total amount of nearly \$34,000,000. At the present time, the fund is caring for the supplementary feeding and clothing of approximately 4,000,000 children. It is hoped to extend this service in the present and other areas and studies are now being conducted with the view of conducting this activity in western Germany.

ASSISTANCE TO GREECE AND TURKEY

The amount of \$200,000,000, a reduction of \$75,000,000 in the budget estimates, is recommended for Greek-Turkish assistance. This amount is intended to supplement the appropriation of \$400,000,000 provided in the Supplemental Appropriation Act, 1948, approved July 30, 1947. It was testified that as of April 30 approximately \$140,000,000 of this appropriation remained unobligated. In addition, the committee was given to understand that there is hope that the guerilla bands would be substantially if not completely liquidated by the end of this summer. This information has come to the committee from both the military and independent sources. Accordingly, the amount included in the bill should prove ample even though it might be necessary to conduct a minor or clean-up campaign into next spring or early summer.

ASSISTANCE TO CHINA

In approving the full amount ~~\$463,000,000~~, estimated and authorized under the China Aid Act of 1948, the committee is extending the period of availability of appropriated funds from April 3 to June 30, 1949. The committee further recommends that expenditures for this program be made and supervised in such manner as to be consistent with the general objectives of the act providing for assistance to Greece and Turkey. This action of the committee is the result of exhaustive inquiry and considerable testimony, both on and off the record, by witnesses qualified to speak on the prevailing conditions and anticipated developments in that troubled country. The history of previous aid to China is not very favorable and this appropriation is being recommended with the insistence that this Government establish and maintain procedures for the complete supervision of appropriated funds and thus insure their effective use. The primary objective would seem to be the restoration of order to enable the Chinese people to start rebuilding their greatly disrupted economy. The restoration of governmental and economic stability in this nation of 450,000,000 people would be a real factor for world peace.

The amount of \$400,000,000 is provided under the authorization of the China Aid Act of 1948, and the period of availability is extended from April 3 to June 30, 1949 to conform with other items in the bill.

GOVERNMENT AND RELIEF IN OCCUPIED AREAS

There is included in the bill the full amount of the original estimate, \$1,250,000,000, for military government and relief in Germany, Japan, Korea, and the Ryukyus. A supplemental estimate of \$150,000,000 contained in House Document No. 659, and intended to aid in the reconstruction of the far eastern area is not included in the amount recommended. It is the thought of the committee that inasmuch as such an activity for Japan, Korea, and the Ryukyus is related to general reconstruction programs of the Economic Cooperation Administration it should become an integral part of the general economic mission. Such funds as are found to be available from those appropriated under the Economic Cooperation Act may be employed for occupied areas of the Far East and language provisions to effectuate the program are included in the bill. Of the amount recommended approximately \$706,000,000 is for bizonal Germany, \$424,000,000 for Japan and the Ryukyus, \$107,000,000 for Korea, and \$10,000,000 for maintaining law and order in Austria. In addition, it should be stated that \$437,000,000 represents the original request for bizonal Germany under provisions of the Economic Cooperation Act.

The amount contained in the bill represents an increase of approximately \$167,000,000 over the amount available for the current fiscal year. Most of the increase is for Germany and Japan, the former increase being necessitated by reason of a decrease in the British contribution from approximately \$204,000,000 in the current year to \$70,000,000 proposed for fiscal year 1949. With the allocation for Germany included in the recommended amount the military intend to add about 1,050 calories to the indigenous diet of 1,050 calories. ECA funds are expected to provide an additional 121 calories, or a total average caloric diet of 2,221. The estimated caloric ration is based on the anticipated increase in German agricultural production by about 31 percent over last year.

The committee is dissatisfied with the progress made to date in the rehabilitation of Germany, especially when it is generally agreed that the restoration of European economy must, of necessity, be based in large measure on the restoration of German economy. The personnel situation, of which the military is aware, appears to be a factor. Another deterrent to a more rapid recovery appears to be a lack of unanimity of purpose on the part of the occupying powers, especially with respect to assuring the maximum increase in the volume of steel production within the ceiling agreed upon. The committee suggests a review of whatever operational and financial controls still exist over German coal and steel production with a view to expediting recovery. It is disconcerting to learn that after nearly 3 years since the end of the war, the most optimistic estimates for the restoration of German industrial production during the first year of the ECA program is 60 to 65 percent of 1936 production.

Another matter relating to the restoration of Germany, and to which greater attention and study would seem to be in order, is the reported denial of civilian or political rights to citizens of Germany charged with minor political offenses. If we are to have a self-supporting and rehabilitated Germany in the foreseeable future it must have the maximum productive contribution of its citizens. It would seem that the prosecution of minor political charges should be ended.

INTERNATIONAL REFUGEE ORGANIZATION

The bill includes \$70,710,228 for the International Refugee Organization, established by resolution of the General Assembly of the United Nations, and authorized by the Congress in the act of July 1, 1947 (Public Law 146). This is the second United States contribution to this Organization, the first, in the amount of \$71,073,900, having been made for operations during the current fiscal year. The total budget of the Organization for fiscal year 1949 is \$155,027,058 of which the United States contribution is 45.75 percent for operational activities and 39.89 percent for administrative phases of the program. Current year's receipts as of April 5, 1948, are reported as being \$85,000,000 of which \$77,000,000 has been obligated. As of November 30, 1947, there was an estimated total of 849,000 displaced persons in the three western zones of Germany and in Austria and Italy. Repatriations and resettlements since that period and through March 1948 has resulted in a total reduction of this number by about 200,000. The committee is anxious that every effort be made to liquidate the refugee camps at the earliest practicable date. A legislative provision intending to equalize the caloric diet of refugee camp inmates with that prevailing in the particular country is included in the bill.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 3, in connection with the appropriation, "Economic Cooperation":

Provided further, That not less than 10 per centum of the special local currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 shall be allocated in the use of the United States Government for expenditure for strategic materials or other local currency requirements of the United States of America: Provided further, That allocations of funds provided pursuant to provisions of the Economic Cooperation Act of 1948 for Austria and any country under occupation by forces of the United States shall be made to the United States Military Government of such countries for administrative and other expenses: And provided further, That expenditures may be made hereunder for the purposes of economic rehabilitation in Japan, Korea, and the Ryukyus in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948.

On pages 5 and 6, in connection with the appropriation, "Assistance to China":

Provided, That expenditures hereunder shall be made and supervised in such manner as to be consistent with the general objectives and the requirements of supervision provided in the Act for Assistance to Greece and Turkey (Public Law 75, Eightieth Congress), as amended and supplemented by the Greek-Turkish Assistance Act of 1948 (Public Law 472, Eightieth Congress).

On page 8, in connection with the appropriation, "National Military Establishment, Department of the Army, civil functions, government and relief in occupied areas":

And provided further, That the Joint Committee on Foreign Economic Cooperation established pursuant to provisions of section 124 (a) of the Economic Cooperation Act of 1948 shall have the same duties, powers, and responsibilities with respect to programs carried out by appropriations for Government and Relief in Occupied Areas as it has with respect to programs under the Economic Cooperation Act of 1948.

On pages 8 and 9, in connection with the appropriation, "Department of State, international activities":

Provided, That none of the funds appropriated herein shall be available for contribution to the International Refugee Organization until such time as there are effected agreements providing for a calorie diet for the occupants of refugee camps that is no higher than that prevailing in the country in which such camps are located.

On page 11:

SEC. 203. Whenever an export license for a commodity, the production or shipment of which to a nonparticipating country was contracted for in good faith prior to March 1, 1948, is denied and cannot be obtained under section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, the Administrator shall provide for the procurement of such commodity to transfer to a participating country in accordance with the requirements of such country, at not less than the contract price of such commodity to the producer or exporter, as the case may be, including any cost incurred in converting the commodity to meet the requirements of the participating country.

FOREIGN AID APPROPRIATION BILL, 1949

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

[The year indicated after each item denotes the fiscal year]

House Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (-), bill compared with budget estimate
	GENERAL FOREIGN AID			
610	Economic Cooperation Administration, 1948 and 1949-----	\$4, 245, 000, 000	\$4, 000, 000, 000	—\$245, 000, 000
639	Assistance to Trieste, 1948 and 1949-----	20, 000, 000	(¹)	—20, 000, 000
639	International Children's Emergency Fund, 1949-----	60, 000, 000	60, 000, 000	-----
639	Assistance to Greece and Turkey, 1948 and 1949-----	275, 000, 000	200, 000, 000	—75, 000, 000
639	Assistance to China, 1948 and 1949-----	463, 000, 000	463, 000, 000 [400,	—63, 000, 000
	NATIONAL MILITARY ESTABLISHMENT			
	DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS			
659	Government and relief in occupied areas, 1949-----	1, 400, 000, 000	1, 250, 000, 000	—150, 000, 000
	DEPARTMENT OF STATE			
	INTERNATIONAL ACTIVITIES			
522	International Refugee Organization, 1949-----	70, 710, 228	70, 710, 228	-----
	Total-----	6, 533, 710, 228	6, 043, 710, 228 [5,980,	490, 000, 000 [553,

¹ Trieste included in provision for Economic Cooperation Administration.

NOTICE: This bill is given out subject to release when consideration of it has been completed by the Whole Committee. Please check on such action before release in order to be advised of any changes.

[FULL COMMITTEE PRINT]

Union Calendar No.

80TH CONGRESS
2D SESSION

H. R. 6801

[Report No. 2173]

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 1948

Mr. TABER, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for foreign aid for the period beginning April 3, 1948 and ending June 30, 1949, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, for foreign aid
- 5 for the period beginning April 3, 1948 and ending June
- 6 30, 1949, and for other purposes, namely:

TITLE I

ECONOMIC COOPERATION

For expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948 (title I of Public Law 472, approved April 3, 1948) until June 30, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$30,000) ; purchase (not to exceed forty including one at not to exceed \$3,000) and hire of passenger motor vehicles; payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921) ; health service program as authorized by law (5 U. S. C. 150) ; rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$50,000) ; exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$4,000,000,000, of which not to exceed \$200,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein certified: *Provided*, That not to ex-

1 ceed \$68,000,000 may be expended for administrative and
2 other expenses including not to exceed \$10,000,000 for
3 direct administration and not to exceed \$10,000,000 for
4 guaranties of investments in enterprises producing or dis-
5 tributing informational media provided for under section
6 111 (b) (3) of the Economic Cooperation Act of 1948:
7 *Provided further*, That not less than 10 per centum of each
8 special local currency account established pursuant to section
9 115 (b) (6) of the Economic Cooperation Act of 1948 shall
10 be allocated to the use of the United States Government for
11 expenditure for strategic materials or other local currency
12 requirements of the United States of America: *Provided*
13 *further*, That allocations of funds provided pursuant to pro-
14 visions of the Economic Cooperation Act of 1948 for Austria
15 and any country under occupation by forces of the United
16 States shall be made to the United States Military Govern-
17 ment of such countries for administrative and other expenses:
18 *And provided further*, That expenditures may be made here-
19 under for the purposes of economic rehabilitation in Japan,
20 Korea, and the Ryukyus in such manner as to be consistent
21 with the general objectives of the Economic Cooperation Act
22 of 1948.

INTERNATIONAL CHILDREN'S EMERGENCY
FUND

To enable the President during the fiscal year 1949 to carry out the provisions of the International Children's Emergency Fund Assistance Act of 1948 (title II of Public Law 472, approved April 3, 1948), \$60,000,000.

ASSISTANCE TO GREECE AND TURKEY

For an additional amount for "Assistance to Greece and Turkey", as authorized by the Act of May 22, 1947 (Public Law 75) as amended and supplemented by the Greek-Turkish Assistance Act of 1948 (title III of Public Law 472, approved April 3, 1948), \$200,000,000, which, together with the amount heretofore appropriated under this head, shall remain available until June 30, 1949; and the limitation under this head in the Supplemental Appropriation Act, 1948, on the amount available for administrative expenses, is increased from "\$4,500,000" to "\$4,900,000", and the limitation under said head on the amount available for such expenses in the District of Columbia is increased from "\$300,000" to "\$400,000": *Provided*, That said limitations shall apply only to the administrative expenses of the Department of State: *Provided further*, That any funds heretofore or hereafter allocated under authority contained in section 2 (a) of the Act of May 22, 1947 (Public Law 75), as amended, shall be available for obligation and expen-

1 diture in accordance with the laws governing obligations
2 and expenditures of the department, agency, or independent
3 establishment to which allocated, but this proviso shall not
4 operate to increase the limitation heretofore provided for
5 administrative expenses.

6 ASSISTANCE TO CHINA

7 For expenses necessary to carry out the provisions of
8 the China Aid Act of 1948 (title IV of Public Law 472,
9 approved April 3, 1948), until June 30, 1949, including
10 expenses of attendance at meetings concerned with the pur-
11 poses of this appropriation; purchase and hire of passenger
12 motor vehicles; purchase, maintenance, and operation of
13 aircraft; payment of claims pursuant to section 403 of the
14 Federal Tort Claims Act (28 U. S. C. 921) ; health service
15 program as authorized by law (5 U. S. C. 150) ; trans-
16 portation of privately owned automobiles; entertainment
17 (not to exceed \$3,000) ; exchange of funds without regard
18 to section 3651 of the Revised Statutes; and loss by
19 exchange; ~~\$400,000,000~~, of which not to exceed \$1,200,000
20 shall be available for administrative expenses: *Provided*,
21 That expenditures hereunder shall be made and supervised
22 in such manner as to be consistent with the general objec-
23 tives and the requirements of supervision provided in the
24 Act for Assistance to Greece and Turkey (Public Law 75,

1 Eightieth Congress), as amended and supplemented by the
2 Greek-Turkish Assistance Act of 1948 (Public Law 472,
3 Eightieth Congress).

4 NATIONAL MILITARY ESTABLISHMENT

5 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

6 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

7 For expenses, not otherwise provided for, necessary to
8 meet the responsibilities and obligations of the United States
9 in connection with the government or occupation of certain
10 foreign areas, including personal services in the District
11 of Columbia and elsewhere and, subject to such authoriza-
12 tion and limitations as the Secretary of the Army may pre-
13 scribe, not to exceed \$220,000 may be available for tuition,
14 personal allowances (not to exceed \$10 per day), travel
15 expenses (not to exceed those authorized for like United
16 States military or civilian personnel), and fees incident to
17 instruction in the United States or elsewhere of such per-
18 sons as may be required to carry out the provisions of this
19 appropriation; travel expenses and transportation; services
20 as authorized by section 15 of the Act of August 2, 1946
21 (5 U. S. C. 55a), at rates not in excess of \$50 per day
22 and travel expenses for individuals; translation rights,
23 photographic work, educational exhibits, and dissemination
24 of information, including preview and review expenses inci-
25 dent thereto; expenses incident to the operation of schools

1 for American children; printing and binding; hire of pas-
2 senger motor vehicles and aircraft; repair and maintenance
3 of buildings, utilities, facilities, and appurtenances; con-
4 tingencies for the United States commanders of foreign
5 areas, to be expended in their respective discretions (not
6 exceeding amounts authorized or approved by the Secretary
7 of the Army); such minimum supplies for the civilian
8 populations of such areas as may be essential to prevent
9 starvation, disease, or unrest, prejudicial to the objectives
10 sought to be accomplished; \$1,250,000,000, of which not
11 to exceed \$55,000,000 shall be available for administra-
12 tive expenses: *Provided*, That when military personnel
13 of the Department of the Army are employed primarily
14 for the purposes of this appropriation, the mileage and other
15 travel allowances to which they may be entitled shall be
16 paid herefrom: *Provided further*, That the general provi-
17 sions of the appropriation Act for the fiscal year 1949 for
18 the military functions of the Department of the Army shall
19 apply to this appropriation: *Provided further*, That ex-
20 penditures from this appropriation may be made outside
21 continental United States, when necessary to carry out its
22 purposes, without regard to sections 355, 1136, 3648, and
23 3734, Revised Statutes, as amended, civil-service or clas-
24 sification laws, or provisions of law prohibiting payment of
25 any person not a citizen of the United States: *Provided*

1 *further*, That expenditures from this appropriation may be
 2 made, when necessary to carry out its purposes, without
 3 regard to section 3709, Revised Statutes, as amended, and
 4 the Armed Services Procurement Act of 1947 (Public Law
 5 413, Eightieth Congress) : *And provided further*, That the
 6 Joint Committee on Foreign Economic Cooperation estab-
 7 lished pursuant to provisions of section 124 (a) of the
 8 Economic Cooperation Act of 1948 shall have the same
 9 duties, powers, and responsibilities with respect to programs
 10 carried out by appropriations for Government and Relief in
 11 Occupied Areas as it has with respect to programs under
 12 the Economic Cooperation Act of 1948.

13 DEPARTMENT OF STATE

14 INTERNATIONAL ACTIVITIES

15 United States participation in international organizations:
 16 For expenses necessary for United States participation in
 17 international organizations, including payment of the annual
 18 contributions, quotas, and assessments, and costs of perma-
 19 nent United States representation to such organizations, in
 20 not to exceed the respective amounts as follows:

21 International Refugee Organization (Public Law 146,
 22 Eightieth Congress), \$70,710,228, of which amount
 23 \$70,643,728 shall be available for contribution: *Provided*,
 24 That none of the funds appropriated herein shall be avail-
 25 able for contribution to the International Refugee Organ-

1 ization until such time as there are effected agreements
2 providing for a caloric diet for the occupants of refugee
3 camps that is no higher than that prevailing in the country
4 in which such camps are located.

5 **TITLE II—GENERAL PROVISIONS**

6 SEC. 201. No part of any appropriation contained in
7 this title shall be used to pay the salary or wages of any
8 person who engages in a strike against the Government of
9 the United States or who is a member of an organization of
10 Government employees that asserts the right to strike against
11 the Government of the United States, or who advocates, or
12 is a member of an organization that advocates, the over-
13 throw of the Government of the United States by force or
14 violence, or who is a member of any labor organization
15 the officers of which have not complied with the require-
16 ments of subsection (h) of section 9 of the National Labor
17 Relations Act as amended by the Labor-Management Rela-
18 tions Act, 1947: *Provided*, That for the purposes hereof
19 an affidavit shall be considered prima facie evidence that
20 the person making the affidavit has not contrary to the
21 provisions of this section engaged in a strike against the
22 Government of the United States, is not a member of an
23 organization of Government employees that asserts the
24 right to strike against the Government of the United States,
25 or that such person does not advocate, and is not a mem-

1 ber of an organization that advocates, the overthrow of
2 the Government of the United States by force or violence,
3 or that such person is not a member of any labor or-
4 ganization the officers of which have not complied with the
5 requirements of subsection (h) of section 9 of the Na-
6 tional Labor Relations Act as amended by the Labor-
7 Management Relations Act, 1947: *Provided further*, That
8 any person who engages in a strike against the Government
9 of the United States or who is a member of an organization
10 of Government employees that asserts the right to strike
11 against the Government of the United States, or who advo-
12 cates, or who is a member of an organization that advocates,
13 the overthrow of the Government of the United States by
14 force or violence, and accepts employment the salary or
15 wages for which are paid from any appropriation contained
16 in this title shall be guilty of a felony and, upon conviction,
17 shall be fined not more than \$1,000 or imprisoned for not
18 more than one year, or both: *Provided further*, That the
19 above penalty clause shall be in addition to, and not in sub-
20 stitution for, any other provisions of existing law.

21 SEC. 202. No funds made available under the authority
22 of this Act shall be used by any procurement agency of the
23 United States Government for the purchase, ~~within the~~
24 ~~United States and its Territories and possessions,~~ of any
25 commodities (other than commodities procured by or in

1 the possession of the Commodity Credit Corporation pursu-
 2 ant to Act of July 1, 1941 (55 Stat. 498), as amended, [^]
 3 at prices higher than the market price prevailing at the ^(in the United States)
 4 time of the purchase ~~in the area wherein the purchase is~~
 5 ~~made.~~ ²

6 SEC. 203. Whenever an export license for a commodity,
 7 the production or shipment of which to a nonparticipating
 8 country was contracted for in good faith prior to March 1,
 9 1948, is denied and cannot be obtained under section 6 of
 10 the Act of July 2, 1940 (54 Stat. 714), as amended, the
 11 Administrator shall provide for the procurement of such
 12 commodity to transfer to a participating country in accord-
 13 ance with the requirements of such country, at not less than
 14 the contract price of such commodity to the producer or
 15 exporter, as the case may be, including any cost incurred in
 16 converting the commodity to meet the requirements of the
 17 participating country.

18 SEC. 204. This Act may be cited as the "Foreign Aid
 19 Appropriation Act, 1949".

Provided, that no funds available under this act shall be used for the purchase of wool other than from existing stocks owned by the Commodity Credit Corporation, unless or until such stocks are exhausted.

Sec. 204. Not less than fifty per centum of all nitrates or nitrogenous fertilizer material including anhydrous ammonia, obtained for participating countries by the Economic Cooperation Administration under the Economic Cooperation Act of 1948 with funds provided herein shall come from production of the Department of the Army and the Department of the Army is hereby authorized to produce and sell such nitrogenous fertilizer materials, including anhydrous ammonia, to fill such fifty per centum of such export requirements.

Sec. 205. No funds made available under this act shall be used by any governmental agency for the purpose of building additional commercial manufacturing plants in the United States.

80TH CONGRESS
2D SESSION

H. R.

[Report No.]

A BILL

Making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

By Mr. TABER

JUNE 3, 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

FOREIGN AID APPROPRIATION BILL, 1949

JUNE 3, 1948.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TABER, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 6801]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 522, 610, 639, and 659, the latter of which supplements regular budget estimates for government and relief in occupied areas contained on page 719 of the printed Budget.

SCOPE AND PURPOSE OF THE BILL

The bill as drawn is the result of committee consideration of all activities contemplated under the Foreign Assistance Act of 1948, namely, Economic Cooperation, assistance to Trieste, International Children's Emergency Fund, assistance to Greece and Turkey, and assistance to China, in addition to estimates for financing Government and relief in occupied areas and the International Refugee Organization.

Total budget estimates considered for the seven foreign aid and reconstruction activities encompassed in the bill is \$6,533,710,228. The total amount recommended by the committee is \$5,980,710,228,

a reduction of \$553,000,000 in the budget estimates. In addition, the committee has changed the date of availability of funds, in all cases where applicable, from April 3, 1949, to June 30, 1949, in the belief that the programs will not permit of the expenditure of more funds than has been provided for each program on an intelligent basis before the latter date. If, by chance, some emergency should arise before the end of the fiscal year the Congress will be in session in January to consider such emergency.

PREVIOUS AID

Although the facts are already well established, the committee does not feel it inappropriate to remind the membership of the House that since the beginning of fiscal year 1946, or the end of the war, this country has rendered foreign assistance through grants and credits in the net amount of \$18,182,000,000. The purpose of this aid was two-fold, first, through direct grants to help feed, clothe, and house the hungry and impoverished humanity left to suffer the ravages of the most devastating war in the history of mankind, and, second, through long-term loans, credits, and American skill to assist many of the nations of the world to reestablish their individual economies and thus promote and strengthen the entire international economic structure, an accepted prerequisite to the establishment of a lasting peace. In addition, the United States has invested in the International Monetary Fund the amount of \$2,750,000,000 and has subscribed to capital stock of the International Bank, in the amount of \$635,000,000. Over and above this subscription to the capital stock of the International Bank, the United States has assumed a contingent liability to purchase additional stock in the Bank to the extent of \$2,540,000,000 whenever losses are incurred by the Bank.

Some of the aid given has been of benefit. Much of it, because of inefficiency of administration and perhaps constantly changing world conditions, has been wasted. The gradual but steady depletion of this country's resources makes it mandatory that the Congress take every reasonable precaution to safeguard the dwindling assets and domestic economy of this Nation through proper checks and controls of appropriated funds. The Foreign Assistance Act of 1948 provides for some of these controls. Other controls made necessary as a result of testimony before the committee and changed conditions since the enactment of the enabling legislation have been included in the accompanying bill.

ECONOMIC COOPERATION

For the Economic Cooperation Administration, the major item in the bill, the committee is recommending \$4,000,000,000, a decrease of \$245,000,000 in the budget estimate. The Economic Cooperation Act of 1948 authorizes a total of \$5,300,000,000 for the 16 European countries and western Germany for the period April 3, 1948, to April 2, 1949. Of this amount \$4,300,000,000 is to be provided in direct appropriations (\$55,000,000 already appropriated in Interim Aid Appropriation Act) and \$1,000,000,000 through the issuance by the Administrator of notes for purchase by the Secretary of the Treasury as provided for in section 111 (c) (2) of the act. The funds derived through the latter transaction are to be allocated to the Export-Import

Bank of Washington for assistance under credit terms. Against the appropriation of \$4,000,000,000 provided in the bill, the Economic Cooperation Administration has been advanced \$1,000,000,000 by the Reconstruction Finance Corporation.

The committee felt that the magnitude and far-reaching effects of this undertaking and the constantly changing conditions demanded an exhaustive and detailed study of the program and its financial aspects. While the enabling legislation was documented to a greater extent than perhaps any other piece of legislation proposed or enacted in recent years the hearings disclosed complete instability in the estimates and other data presented in justification of the amount requested. Furthermore, testimony indicated the absence of definite policy in the execution of many aspects of the program, principally because of insufficient time between enactment of the legislation and the date of appropriation hearings.

Fundamentally the estimates of requirements are based on the anticipated international balance of payments and the dollar balances, or lack of dollar balances, in each participating country.

It is admittedly impossible for anyone to state with any degree of assurance the actual needs of the participating countries within a billion dollars. World political and economic conditions are still too unstable to permit of long-term estimates. The economic forces that will be set in motion by the initiation of this program will undoubtedly afford the Congress an opportunity at a later date to more accurately evaluate the conditions in and requirements of this peace-hungry world and thus be in position to take such further constructive action as may be necessary. The world-trade patterns that will emerge from this program as well as their impact on world economy and, more specifically, on the economy and needs of the participating countries are, likewise, of so indefinite a nature at the present time as to make any predetermination of conditions and actual operations of the program for more than a few months impossible.

It should be pointed out that as a result of previous aid there remained on January 1, 1948, a total of \$3,600,000,000 in unutilized grants, loans, and property credits. Of this total something over \$2,000,000,000 is in the participating countries covered by the appropriation in the accompanying bill.

INTEREST AND AMORTIZATION OF UNITED STATES CREDITS

While amounts for the liquidation of previously extended United States credits were not included in the illustrative distribution of uses to which the authorized amount of \$5,300,000,000 would be applied, it is apparent that the net result of this appropriation is to permit the payment of invisible items, including interest and amortization on United States credits previously extended to the participating countries totaling \$288,900,000. It would seem that the Administration is, in this particular instance, not only disregarding the basic principles of sound business practice but also is in a sense undermining the character of international agreements. In other words, the effect of the operation of the bill as laid out by the State Department and presented to the committee by the head of the Economic Cooperation Administration would be that we would be furnishing the funds to these countries to pay their own debts to us. Anyone with the slightest experience in business realizes that when one owes a debt

and is not able to pay it, the way to maintain his morale is to extend the time for payment of his debt rather than, directly or indirectly, to pay the debt. If you give him the funds with which to pay the debt, he will expect the same treatment every time he owes any money and nothing but complete demoralization can result. The dollar deficits resulting from the debts of the participating countries to the United States should not, in the view of the committee, be considered as part of the immediate needs of a European recovery and reconstruction program.

COMMENTS ON CERTAIN COMMODITIES

The Administration estimates that upward of \$2,250,000,000 of the total authorization of \$5,300,000,000 will be expended for food requirements. Information made available to the committee both during and subsequent to the hearings indicates that many of the participating countries are going to have substantially larger food crops in the 1948-49 crop year than they had in the preceding crop year and that in many instances the crop yield will exceed the prewar level. The committee is advised that in Germany alone the potato crop will be 5,000,000 tons larger than last year and that in other countries it will be substantially larger. Wheat crops in major wheat-producing countries are greatly above the estimates on which the original requirements were based and the outlook is good for increased crops of barley, oats, and rye. There is every reason to believe that substantial savings can be effected in the food program and, in view of the favorable crop reports, effectively carried out with less than the \$2,250,000,000 originally estimated. Furthermore, while this country will still have an exportable surplus of wheat this coming crop year, the estimated yield will be from 250 to 350 million bushels less than last year's crop, and the quantities available for shipment will be half that available in 1948.

Prices of cotton, for which \$511,000,000 is estimated, have increased considerably since the date that discussion of the European recovery program was begun by the Congress. The price of cotton on May 26 was 38½ cents per pound or approximately 6 cents per pound higher than it was on February 14, and far higher than it was last fall. Prices of commodities purchased under the program should be reasonable and it must be the responsibility of each country to see to it that no individual or group of individuals obtains a corner on any market which would result in an increase in prices and thus jeopardize certain segments of the program if not the entire program. On the other hand, the Economic Cooperation Administration should by means of every power at its command guard the interests of this program and protect the taxpayers of this Nation by refusing to pay inflationary prices, some of which are already in evidence as a result of anticipatory buying, especially in connection with cotton.

The Administration estimates contain an amount of \$110,000,000 for the purchase of tobacco. While there may be reasons for the purchase of some tobacco there is serious doubt as to how much tobacco should be purchased during this period of dire need for more substantive aid, and purchases in the luxury category should be very carefully scrutinized.

It is contemplated to purchase some \$24,600,000 worth of wool. While wool is a commodity necessary in the general rehabilitation of

Europe, every effort should be made to purchase the type of wool that will serve the intended purpose at the lowest possible cost. The Commodity Credit Corporation, for example, has over 240,000,000 pounds of wool, one-half of it of the lower-grade variety not salable in the United States and purchased at a cost of 42 cents per pound. It is hoped that both our own and the European economy can be aided by the movement of this wool into export. Cotton cloth purchases are to be made in an estimated amount of \$72,600,000. In this item especially, but also in many other items contemplated in the program, it would seem that the raw material rather than the finished product should be exported in order that the expense of manufacture in this country may be avoided or minimized and at the same time the people of Europe given a greater opportunity to produce for their own needs.

Coal is a commodity that should be procured from sources nearest the consumers and greater emphasis should be placed on increasing the production of coal in Great Britain and Germany and the importation of coal from other sources, perhaps Poland, rather than exporting coal from this country at higher cost.

The committee is not wholly satisfied with the large-scale mechanization of farms in participating countries that is apparently proposed in the program. The shortage of steel and petroleum throughout the world, plus the general unfamiliarity of the average European farmer with mechanical farm equipment might prove costly and, in the final analysis, unproductive. While farm production must further be increased in these countries the proportion of large farms that lend themselves to production by means of mechanized equipment is small. This program should be embarked upon with extreme caution, and should not require the \$81,500,000 estimated for this purpose.

Truck and automobile registrations in these countries are substantial and in many instances exceed prewar registrations. Truck production in Great Britain, France, and Italy should be encouraged with the view of these countries supplying the European market to as great an extent as possible and at lower unit costs than prevail in this country, with resultant savings in the over-all program. Prudent buying, care in selection of commodities, and assurance that each commodity is actually required prior to the approval of purchases will make for economical operation.

MUTUALITY OF PURPOSE

Integral parts of any discussion of availability and supply of commodities under this program are the two principal deterrents to European recovery, namely, the unstable exchange conditions and intra-European tariffs and other trade barriers. It is felt that the exchange situation should gradually improve through the generally increased activity resulting from this program and through proper utilization of the local currency funds established in pursuance of provisions of the enabling act. However, the existing trade barriers can only be removed through the cooperation of the countries concerned and in consultation with the Administrator of the Economic Cooperation Administration. It is hoped that this basic problem can be corrected before the program gets too far under way. It is disheartening to read in the press that the fruits and vegetables of one participating country are rotting because for varying reasons that

country cannot avail itself of the markets of another participating country. There must be full cooperation on the part of the participating countries with the United States Government in clearing all obstacles interfering with the proper and effective functioning of the program. The "findings and declaration of policy" as expressed in section 102 (a) of the act is a lucid statement of the purposes of this far-reaching venture and clearly reflects the pattern within which aid is to be rendered. It must be a mutual undertaking between this country and the participating countries as a unit and individually between each of the participating countries.

CONDITIONS GOVERNING EXPENDITURES

It is the sense of the committee that relief in the form of grants should be limited insofar as practicable to food, fuel, fertilizer, and seed. The committee is of the further opinion that grants should be limited insofar as practicable to those countries which are unable to pay for the required imports through increased production. No European nation wants to remain on an indefinite dole from another nation and no nation can long afford to export its substance to another nation without a break-down in its own economy. Sacrifices must be made by all and each country's sacrifice should be understood by each other country.

The committee also feels that, as a practical matter of protecting our own economy to the greatest extent possible, the Administrator should, in connection with all purchases from nonparticipating countries, through prior agreement insure that sufficient United States dollar exchange acquired by the nonparticipating countries will be provided on reasonable terms for the importation of goods and services from the United States. Further, the Administrator should insure that adequate and mutually satisfactory arrangements are made for the remittance to the United States, of earnings, profits, interest, commissions and other services of investments of citizens of the United States, in the nonparticipating country.

ACTION OF COMMITTEE

The net result of the committee's action is a total availability of \$5,055,000,000 (including the public debt transaction of \$1,000,000,000) for a 15-month period, including Trieste and possible amounts for Japan, Korea, and the Ryukyus, for which separate estimates of appropriation were submitted to the Congress. The committee is not specifying the amounts that shall be available for the rehabilitation of the territories above named. As to Trieste, the committee recommends the same treatment as that accorded participating countries. It is believed that careful administration of this fund will meet the needs of the situation for a 15-month period. The Economic Cooperation Administration has already advised the committee of a lapse of \$7,000,000 in shipping costs, which would seem to point to a lag in the entire program.

INTERNATIONAL CHILDREN'S EMERGENCY FUND

The full amount of the budget estimate, \$60,000,000, is included in the bill for this activity, an organization established by resolution of the General Assembly of the United Nations. This amount supple-

ments the original authorization of \$40,000,000 contained in Public Law 84, Eightieth Congress. The total of these amounts would represent 72 percent, or our share of the total anticipated budget of the fund of \$139,000,000. Total United States contributions to the fund actually made is nearly \$28,000,000 against total contributions of about \$42,000,000. Accordingly, if the entire amount of \$100,000,000 provided by this Nation is to be utilized other nations will be expected to contribute an additional \$25,000,000. Up to the present time, contributions have been made by 19 countries. Allocations of budgeted funds have been made to 13 countries in the total amount of nearly \$34,000,000. At the present time, the fund is caring for the supplementary feeding and clothing of approximately 4,000,000 children. It is hoped to extend this service in the present and other areas and studies are now being conducted with the view of conducting this activity in western Germany.

ASSISTANCE TO GREECE AND TURKEY

The amount of \$200,000,000, a reduction of \$75,000,000 in the budget estimates, is recommended for Greek-Turkish assistance. This amount is intended to supplement the appropriation of \$400,000,000 provided in the Supplemental Appropriation Act, 1948, approved July 30, 1947. It was testified that as of April 30 approximately \$140,000,000 of this appropriation remained unobligated. In addition, the committee was given to understand that there is hope that the guerilla bands would be substantially if not completely liquidated by the end of this summer. This information has come to the committee from both the military and independent sources. Accordingly, the amount included in the bill should prove ample even though it might be necessary to conduct a minor or clean-up campaign into next spring or early summer.

ASSISTANCE TO CHINA

The amount of \$400,000,000 is provided under the authorization of the China Aid Act of 1948, and the period of availability is extended from April 3 to June 30, 1949, to conform with other items in the bill. The committee further recommends that expenditures for this program be made and supervised in such manner as to be consistent with the general objectives of the act providing for assistance to Greece and Turkey. This action of the committee is the result of exhaustive inquiry and considerable testimony, both on and off the record, by witnesses qualified to speak on the prevailing conditions and anticipated developments in that troubled country. The history of previous aid to China is not very favorable and this appropriation is being recommended with the insistence that this Government establish and maintain procedures for the complete supervision of appropriated funds and thus insure their effective use. The primary objective would seem to be the restoration of order to enable the Chinese people to start rebuilding their greatly disrupted economy. The restoration of governmental and economic stability in this nation of 450,000,000 people would be a real factor for world peace.

GOVERNMENT AND RELIEF IN OCCUPIED AREAS

There is included in the bill the full amount of the original estimate, \$1,250,000,000, for military government and relief in Germany, Japan, Korea, and the Ryukyus. A supplemental estimate of \$150,000,000 contained in House Document No. 659, and intended to aid in the reconstruction of the far eastern area is not included in the amount recommended. It is the thought of the committee that inasmuch as such an activity for Japan, Korea, and the Ryukyus is related to general reconstruction programs of the Economic Cooperation Administration it should become an integral part of the general economic mission. Such funds as are found to be available from those appropriated under the Economic Cooperation Act may be employed for occupied areas of the Far East and language provisions to effectuate the program are included in the bill. Of the amount recommended approximately \$706,000,000 is for bizonic Germany, \$424,000,000 for Japan and the Ryukyus, \$107,000,000 for Korea, and \$10,000,000 for maintaining law and order in Austria. In addition, it should be stated that \$437,000,000 represents the original request for bizonal Germany under provisions of the Economic Cooperation Act.

The amount contained in the bill represents an increase of approximately \$167,000,000 over the amount available for the current fiscal year. Most of the increase is for Germany and Japan, the former increase being necessitated by reason of a decrease in the British contribution from approximately \$204,000,000 in the current year to \$70,000,000 proposed for fiscal year 1949. With the allocation for Germany included in the recommended amount the military intend to add about 1,050 calories to the indigenous diet of 1,050 calories. ECA funds are expected to provide an additional 121 calories, or a total average caloric diet of 2,221. The estimated caloric ration is based on the anticipated increase in German agricultural production by about 31 percent over last year.

The committee is dissatisfied with the progress made to date in the rehabilitation of Germany, especially when it is generally agreed that the restoration of European economy must, of necessity, be based in large measure on the restoration of German economy. The personnel situation, of which the military is aware, appears to be a factor. Another deterrent to a more rapid recovery appears to be a lack of unanimity of purpose on the part of the occupying powers, especially with respect to assuring the maximum increase in the volume of steel production within the ceiling agreed upon. The committee suggests a review of whatever operational and financial controls still exist over German coal and steel production with a view to expediting recovery. It is disconcerting to learn that after nearly 3 years since the end of the war, the most optimistic estimates for the restoration of German industrial production during the first year of the ECA program is 60 to 65 percent of 1936 production.

Another matter relating to the restoration of Germany, and to which greater attention and study would seem to be in order, is the reported denial of civilian or political rights to citizens of Germany charged with minor political offenses. If we are to have a self-supporting and rehabilitated Germany in the foreseeable future it must have the maximum productive contribution of its citizens. It would seem that the prosecution of minor political charges should be ended.

INTERNATIONAL REFUGEE ORGANIZATION

The bill includes \$70,710,228 for the International Refugee Organization, established by resolution of the General Assembly of the United Nations, and authorized by the Congress in the act of July 1, 1947 (Public Law 146). This is the second United States contribution to this Organization, the first, in the amount of \$71,073,900, having been made for operations during the current fiscal year. The total budget of the Organization for fiscal year 1949 is \$155,027,058 of which the United States contribution is 45.75 percent for operational activities and 39.89 percent for administrative phases of the program. Current year's receipts as of April 5, 1948, are reported as being \$85,000,000 of which \$77,000,000 has been obligated. As of November 30, 1947, there was an estimated total of 849,000 displaced persons in the three western zones of Germany and in Austria and Italy. Repatriations and resettlements since that period and through March 1948 has resulted in a total reduction of this number by about 200,000. The committee is anxious that every effort be made to liquidate the refugee camps at the earliest practicable date. A legislative provision intending to equalize the caloric diet of refugee camp inmates with that prevailing in the particular country is included in the bill.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 3, in connection with the appropriation, "Economic Cooperation":

Provided further, That not less than 10 per centum of each special local currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 shall be allocated in the use of the United States Government for expenditure for strategic materials or other local currency requirements of the United States of America: Provided further, That allocations of funds provided pursuant to provisions of the Economic Cooperation Act of 1948 for Austria and any country under occupation by forces of the United States shall be made to the United States Military Government of such countries for administrative and other expenses: And provided further, That expenditures may be made hereunder for the purposes of economic rehabilitation in Japan, Korea, and the Ryukyus in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948.

On pages 5 and 6, in connection with the appropriation, "Assistance to China":

Provided, That expenditures hereunder shall be made and supervised in such manner as to be consistent with the general objectives and the requirements of supervision provided in the Act for Assistance to Greece and Turkey (Public Law 75, Eightieth Congress), as amended and supplemented by the Greek-Turkish Assistance Act of 1948 (Public Law 472, Eightieth Congress).

On page 8, in connection with the appropriation, "National Military Establishment, Department of the Army, civil functions, government and relief in occupied areas":

And provided further, That the Joint Committee on Foreign Economic Cooperation established pursuant to provisions of section 124 (a) of the Economic Cooperation Act of 1948 shall have the same duties, powers, and responsibilities with respect to programs carried out by appropriations for Government and Relief in Occupied Areas as it has with respect to programs under the Economic Cooperation Act of 1948.

On pages 8 and 9, in connection with the appropriation, "Department of State, international activities":

Provided, That none of the funds appropriated herein shall be available for contribution to the International Refugee Organization until such time as there are effected agreements providing for a caloric diet for the occupants of refugee camps that is no higher than that prevailing in the country in which such camps are located.

On page 11:

SEC. 203. Whenever an export license for a commodity, the production or shipment of which to a nonparticipating country was contracted for in good faith prior to March 1, 1948, is denied and cannot be obtained under section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, the Administrator shall provide for the procurement of such commodity to transfer to a participating country in accordance with the requirements of such country, at not less than the contract price of such commodity to the producer or exporter, as the case may be, including any cost incurred in converting the commodity to meet the requirements of the participating country.

FOREIGN AID APPROPRIATION BILL, 1949

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

[The year indicated after each item denotes the fiscal year]

House Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or decrease (—), bill compared with budget estimate
	GENERAL FOREIGN AID			
610	Economic Cooperation Administration, 1948 and 1949	\$4, 245, 000, 000	\$4, 000, 000, 000	—\$245, 000, 000
639	Assistance to Trieste, 1948 and 1949	20, 000, 000	(¹)	—20, 000, 000
639	International Children's Emergency Fund, 1949	60, 000, 000	60, 000, 000	-----
639	Assistance to Greece and Turkey, 1948 and 1949	275, 000, 000	200, 000, 000	—75, 000, 000
639	Assistance to China, 1948 and 1949	463, 000, 000	400, 000, 000	—63, 000, 000
	NATIONAL MILITARY ESTABLISHMENT			
	DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS			
659	Government and relief in occupied areas, 1949	1, 400, 000, 000	1, 250, 000, 000	—150, 000, 000
	DEPARTMENT OF STATE			
	INTERNATIONAL ACTIVITIES			
522	International Refugee Organization, 1949	70, 710, 228	70, 710, 228	-----
	Total	6, 533, 710, 228	5, 980, 710, 228	—553, 000, 000

¹ Trieste included in provision for Economic Cooperation Administration.

80TH CONGRESS
2D SESSION

H. R. 6801

[Report No. 2173]

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 1948

Mr. TABER, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for foreign aid
5 for the period beginning April 3, 1948 and ending June
6 30, 1949, and for other purposes, namely:

TITLE I

ECONOMIC COOPERATION

9 For expenses necessary to carry out the provisions
10 of the Economic Cooperation Act of 1948 (title I of Public

1 Law 472, approved April 3, 1948) until June 30, 1949,
2 including expenses of attendance at meetings concerned with
3 the purposes of this appropriation (not to exceed \$30,000) ;
4 purchase (not to exceed forty including one at not to exceed
5 \$3,000) and hire of passenger motor vehicles; payment of
6 claims pursuant to section 403 of the Federal Tort Claims
7 Act (28 U. S. C. 921) ; health service program as author-
8 ized by law (5 U. S. C. 150) ; rents in the District of
9 Columbia; transportation of privately owned automobiles;
10 entertainment (not to exceed \$50,000) ; exchange of funds
11 without regard to section 3651 of the Revised Statutes;
12 and loss by exchange; \$4,000,000,000, of which not to
13 exceed \$200,000 shall be available for expenditures of a
14 confidential character (other than entertainment) under the
15 direction of the Administrator or the Deputy Administrator,
16 who shall make a certificate of the amount of each such
17 expenditure which he may think it advisable not to specify,
18 and every such certificate shall be deemed a sufficient voucher
19 for the amount therein certified: *Provided*, That not to ex-
20 ceed \$68,000,000 may be expended for administrative and
21 other expenses including not to exceed \$10,000,000 for
22 direct administration and not to exceed \$10,000,000 for
23 guaranties of investments in enterprises producing or dis-
24 tributing informational media provided for under section
25 111 (b) (3) of the Economic Cooperation Act of 1948:

1 *Provided further*, That not less than 10 per centum of each
2 special local currency account established pursuant to section
3 115 (b) (6) of the Economic Cooperation Act of 1948 shall
4 be allocated to the use of the United States Government for
5 expenditure for strategic materials or other local currency
6 requirements of the United States of America: *Provided*
7 *further*, That allocations of funds provided pursuant to pro-
8 visions of the Economic Cooperation Act of 1948 for Austria
9 and any country under occupation by forces of the United
10 States shall be made to the United States Military Govern-
11 ment of such countries for administrative and other expenses:
12 *And provided further*, That expenditures may be made here-
13 under for the purposes of economic rehabilitation in Japan,
14 Korea, and the Ryukyus in such manner as to be consistent
15 with the general objectives of the Economic Cooperation Act
16 of 1948.

17 INTERNATIONAL CHILDREN'S EMERGENCY
18 FUND

19 To enable the President during the fiscal year 1949 to
20 carry out the provisions of the International Children's
21 Emergency Fund Assistance Act of 1948 (title II of Public
22 Law 472, approved April 3, 1948), \$60,000,000.

23 ASSISTANCE TO GREECE AND TURKEY

24 For an additional amount for "Assistance to Greece
25 and Turkey", as authorized by the Act of May 22, 1947

1 (Public Law 75) as amended and supplemented by the
2 Greek-Turkish Assistance Act of 1948 (title III of Public
3 Law 472, approved April 3, 1948), \$200,000,000, which,
4 together with the amount heretofore appropriated under this
5 head, shall remain available until June 30, 1949; and the
6 limitation under this head in the Supplemental Appropria-
7 tion Act, 1948, on the amount available for administrative
8 expenses, is increased from "\$4,500,000" to "\$4,900,000",
9 and the limitation under said head on the amount available
10 for such expenses in the District of Columbia is increased
11 from "\$300,000" to "\$400,000": *Provided*, That said limi-
12 tations shall apply only to the administrative expenses of
13 the Department of State: *Provided further*, That any funds
14 heretofore or hereafter allocated under authority contained
15 in section 2 (a) of the Act of May 22, 1947 (Public Law
16 75), as amended, shall be available for obligation and expen-
17 diture in accordance with the laws governing obligations
18 and expenditures of the department, agency, or independent
19 establishment to which allocated, but this proviso shall not
20 operate to increase the limitation heretofore provided for
21 administrative expenses.

22 ASSISTANCE TO CHINA

23 For expenses necessary to carry out the provisions of
24 the China Aid Act of 1948 (title IV of Public Law 472,
25 approved April 3, 1948), until June 30, 1949, including

1 expenses of attendance at meetings concerned with the pur-
 2 poses of this appropriation; purchase and hire of passenger
 3 motor vehicles; purchase, maintenance, and operation of
 4 aircraft; payment of claims pursuant to section 403 of the
 5 Federal Tort Claims Act (28 U. S. C. 921) ; health service
 6 program as authorized by law (5 U. S. C. 150) ; trans-
 7 portation of privately owned automobiles; entertainment
 8 (not to exceed \$3,000) ; exchange of funds without regard
 9 to section 3651 of the Revised Statutes; and loss by
 10 exchange; \$400,000,000, of which not to exceed \$1,200,000
 11 shall be available for administrative expenses: *Provided*,
 12 That expenditures hereunder shall be made and supervised
 13 in such manner as to be consistent with the general objec-
 14 tives and the requirements of supervision provided in the
 15 Act for Assistance to Greece and Turkey (Public Law 75,
 16 Eightieth Congress), as amended and supplemented by the
 17 Greek-Turkish Assistance Act of 1948 (Public Law 472,
 18 Eightieth Congress).

19 NATIONAL MILITARY ESTABLISHMENT

20 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

21 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

22 For expenses, not otherwise provided for, necessary to
 23 meet the responsibilities and obligations of the United States
 24 in connection with the government or occupation of certain

1 foreign areas, including personal services in the District
2 of Columbia and elsewhere and, subject to such authoriza-
3 tion and limitations as the Secretary of the Army may pre-
4 scribe, not to exceed \$220,000 may be available for tuition,
5 personal allowances (not to exceed \$10 per day), travel
6 expenses (not to exceed those authorized for like United
7 States military or civilian personnel), and fees incident to
8 instruction in the United States or elsewhere of such per-
9 sons as may be required to carry out the provisions of this
10 appropriation; travel expenses and transportation; services
11 as authorized by section 15 of the Act of August 2, 1946
12 (5 U. S. C. 55a), at rates not in excess of \$50 per day
13 and travel expenses for individuals; translation rights,
14 photographic work, educational exhibits, and dissemination
15 of information, including preview and review expenses inci-
16 dent thereto; expenses incident to the operation of schools
17 for American children; printing and binding; hire of pas-
18 senger motor vehicles and aircraft; repair and maintenance
19 of buildings, utilities, facilities, and appurtenances; con-
20 tingencies for the United States commanders of foreign
21 areas, to be expended in their respective discretions (not
22 exceeding amounts authorized or approved by the Secretary
23 of the Army); such minimum supplies for the civilian
24 populations of such areas as may be essential to prevent
25 starvation, disease, or unrest, prejudicial to the objectives

1 sought to be accomplished; \$1,250,000,000, of which not
2 to exceed \$55,000,000 shall be available for administra-
3 tive expenses: *Provided*, That when military personnel
4 of the Department of the Army are employed primarily
5 for the purposes of this appropriation, the mileage and other
6 travel allowances to which they may be entitled shall be
7 paid herefrom: *Provided further*, That the general provi-
8 sions of the appropriation Act for the fiscal year 1949 for
9 the military functions of the Department of the Army shall
10 apply to this appropriation: *Provided further*, That ex-
11 penditures from this appropriation may be made outside
12 continental United States, when necessary to carry out its
13 purposes, without regard to sections 355, 1136, 3648, and
14 3734, Revised Statutes, as amended, civil-service or clas-
15 sification laws, or provisions of law prohibiting payment of
16 any person not a citizen of the United States: *Provided*
17 *further*, That expenditures from this appropriation may be
18 made, when necessary to carry out its purposes, without
19 regard to section 3709, Revised Statutes, as amended, and
20 the Armed Services Procurement Act of 1947 (Public Law
21 413, Eightieth Congress): *And provided further*, That the
22 Joint Committee on Foreign Economic Cooperation estab-
23 lished pursuant to provisions of section 124 (a) of the
24 Economic Cooperation Act of 1948 shall have the same
25 duties, powers, and responsibilities with respect to programs

1 carried out by appropriations for Government and Relief in
2 Occupied Areas as it has with respect to programs under
3 the Economic Cooperation Act of 1948.

4 DEPARTMENT OF STATE

5 INTERNATIONAL ACTIVITIES

6 United States participation in international organizations:
7 For expenses necessary for United States participation in
8 international organizations, including payment of the annual
9 contributions, quotas, and assessments, and costs of perma-
10 nent United States representation to such organizations, in
11 not to exceed the respective amounts as follows:

12 International Refugee Organization (Public Law 146,
13 Eightieth Congress), \$70,710,228, of which amount
14 \$70,643,728 shall be available for contribution: *Provided*,
15 That none of the funds appropriated herein shall be avail-
16 able for contribution to the International Refugee Organ-
17 ization until such time as there are effected agreements
18 providing for a caloric diet for the occupants of refugee
19 camps that is no higher than that prevailing in the country
20 in which such camps are located.

21 TITLE II—GENERAL PROVISIONS

22 SEC. 201. No part of any appropriation contained in
23 this title shall be used to pay the salary or wages of any
24 person who engages in a strike against the Government of
25 the United States or who is a member of an organization of

1 Government employees that asserts the right to strike against
2 the Government of the United States, or who advocates, or
3 is a member of an organization that advocates, the over-
4 throw of the Government of the United States by force or
5 violence, or who is a member of any labor organization
6 the officers of which have not complied with the require-
7 ments of subsection (h) of section 9 of the National Labor
8 Relations Act as amended by the Labor-Management Rela-
9 tions Act, 1947: *Provided*, That for the purposes hereof
10 an affidavit shall be considered prima facie evidence that
11 the person making the affidavit has not contrary to the
12 provisions of this section engaged in a strike against the
13 Government of the United States, is not a member of an
14 organization of Government employees that asserts the
15 right to strike against the Government of the United States,
16 or that such person does not advocate, and is not a mem-
17 ber of an organization that advocates, the overthrow of
18 the Government of the United States by force or violence,
19 or that such person is not a member of any labor or-
20 ganization the officers of which have not complied with the
21 requirements of subsection (h) of section 9 of the Na-
22 tional Labor Relations Act as amended by the Labor-
23 Management Relations Act, 1947: *Provided further*, That
24 any person who engages in a strike against the Government
25 of the United States or who is a member of an organization

1 of Government employees that asserts the right to strike
2 against the Government of the United States, or who advo-
3 cates, or who is a member of an organization that advocates,
4 the overthrow of the Government of the United States by
5 force or violence, and accepts employment the salary or
6 wages for which are paid from any appropriation contained
7 in this title shall be guilty of a felony and, upon conviction,
8 shall be fined not more than \$1,000 or imprisoned for not
9 more than one year, or both: *Provided further*, That the
10 above penalty clause shall be in addition to, and not in sub-
11 stitution for, any other provisions of existing law.

12 SEC. 202. No funds made available under the authority
13 of this Act shall be used by any procurement agency of the
14 United States Government for the purchase of any com-
15 modities (other than commodities procured by or in the
16 possession of the Commodity Credit Corporation pursuant
17 to Act of July 1, 1941 (55 Stat. 498), as amended), at
18 prices higher than the market price prevailing in the United
19 States at the time of the purchase: *Provided*, That no funds
20 available under this Act shall be used for the purchase of
21 wool other than from existing stocks owned by the Com-
22 modity Credit Corporation, unless or until such stocks are
23 exhausted.

24 SEC. 203. Whenever an export license for a commodity,
25 the production or shipment of which to a nonparticipating
26 country was contracted for in good faith prior to March 1,

1 1948, is denied and cannot be obtained under section 6 of
2 the Act of July 2, 1940 (54 Stat. 714), as amended, the
3 Administrator shall provide for the procurement of such
4 commodity to transfer to a participating country in accord-
5 ance with the requirements of such country, at not less than
6 the contract price of such commodity to the producer or
7 exporter, as the case may be, including any cost incurred in
8 converting the commodity to meet the requirements of the
9 participating country.

10 SEC. 204. Not less than 50 per centum of all nitrates
11 or nitrogenous fertilizer material, including anhydrous am-
12 monia, obtained for participating countries by the Economic
13 Cooperation Administration under the Economic Coopera-
14 tion Act of 1948 with funds provided herein shall come from
15 production of the Department of the Army and the Depart-
16 ment of the Army is hereby authorized to produce and sell
17 such nitrogenous fertilizer materials, including anhydrous
18 ammonia, to fill such 50 per centum of such export
19 requirements.

20 SEC. 205. No funds made available under this Act shall
21 be used by any governmental agency for the purpose of
22 building additional commercial manufacturing plants in the
23 United States.

24 SEC. 206. This Act may be cited as the "Foreign Aid
25 Appropriation Act, 1949".

80TH CONGRESS
2D SESSION

H. R. 6801

[Report No. 2173]

A BILL

Making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

By Mr. TABER

JUNE 3, 1948

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 7, 1948
For actions of June 4, 1948
80th-2nd, No. 101

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HIGHLIGHTS: House passed foreign-aid appropriation bill. House sent agricultural appropriation bill to conference. House Rules Committee cleared price-support bill. House committee reported Science Foundation bill. Senate committee reported bill to establish Government cafeterias corporation. Senate agreed to conference report on bill extending certain allocation and export-import controls. Senate committees approved bills to increase farm-tenant-loan interest rates, transfer alcohol plants to USDA, and authorize certain CCC sugar-producer claims.

HOUSE

1. FOREIGN-AID APPROPRIATIONS. Passed with amendments H. R. 6801, the 1949 foreign-aid Appropriation Bill (pp. 7335-86). The resolution providing for consideration of the bill was agreed to by a 329-22 vote (p. 7340).

Agreed to the following amendments:

- By Rep. Andersen, Minn., limiting the amount which may be spent for farm machinery from these appropriations to \$50,000,000 (pp. 7374-7).
- By Rep. Murray, Wis., providing that at least \$65,000,000 of these appropriations be spent for acquiring in the U. S. nonfat dry milk solids, by a 61-58 vote (p. 7381).
- Clarifying amendments by Reps. Taber and Judd (pp. 7380, 7384).

Rejected the following amendments:

- By Rep. Dirksen, Ill., to provide that the ERP funds be available for a year instead of 15 months, by a 113-148 vote (pp. 7363-71).
- By Rep. Celler, N. Y., prohibiting these funds from being provided to Britain, by a 12-145 vote (pp. 7377-80).
- By Rep. Hope, Kans., to amend the provision that none of the funds be used to purchase goods at more than the market price except those commodities in possession of CCC and which have been acquired under the Steagall amendment. The proposed amendment, which was defeated 59-69, would have made this exception applicable to "any price support or stabilization

program" which might take the place of the Steagall amendment. (p. 7381.)

Rejected a motion, by Rep. Cannon, Mo., to recommit the bill with instructions that it be reported with the Dirksen amendment (p. 7386).

2. AGRICULTURAL APPROPRIATION BILL. Agreed, 204-140, without amendment to H. Res. 624, providing for a conference on this bill, H. R. 5883. Reps. Dirksen, Plunley, Anderson, Horan, Phillips, Cannon, Sheppard, and Whitten were appointed conferees. (pp. 7328-33.) Senate conferees were appointed May 25.
3. FERTILIZER. Rep. Brown, Ga., discussed the provisions of H. R. 6659. (emergency-powers continuation) regarding fertilizer materials (p. 7328).
4. LEGISLATIVE APPROPRIATION BILL. House conferees were appointed on this bill, H. R. 6500 (p. 7331). Senate conferees were appointed June 3.
5. HEALTH. Received the conference report on S. J. Res. 98, providing for U. S. participation in the World Health Organization (p. 7335).
6. TREASURY-POST OFFICE APPROPRIATION BILL. Received the conference report on this bill, H. R. 5770 (pp. 7386-8). The conferees agreed to \$1,275,000 for Bureau of Federal Supply (House figure; Senate figure, \$1,310,000); agreed to the Senate amendment providing funds to increase the general supply fund, but reduced the Senate figure from \$3,000,000 to \$1,500,000. The provision on type-writer purchases was reported in disagreement.
7. ALASKA DEVELOPMENT. Received from FWA a proposed bill "to authorize a program of useful public works for the development of the Territory of Alaska"; to Public Lands Committee (p. 7392).
8. PERSONNEL. The Post Office and Civil Service Committee submitted a report on "organization functions and relative costs of personnel officers" (H. Rept. 2198)(p. 7392).
9. PRICE SUPPORTS. The Rules Committee reported a resolution for consideration of H. R. 6248, to continue and amend the price-support program (p. 7341).
10. DISPLACED PERSONS. The Rules Committee reported a resolution for consideration of H. R. 6396, to permit entry into the U. S. of displaced persons (p. 7392).
11. PUBLIC LANDS. The Public Lands Committee reported with amendment H. R. 5555, to amend the act of 1938 providing for purchase of public lands for home and other sites (H. Rept. 2212)(p. 7392).
12. SCIENCE FOUNDATION. The Interstate and Foreign Commerce Committee reported with amendments H. R. 6007, to create a National Science Foundation (H. Rept. 2223)(p. 7393).
13. TRAVEL. The Interstate and Foreign Commerce Committee reported without amendment H. R. 6136, to amend the act authorizing Interior to encourage travel in the U. S. (H. Rept. 2221)(p. 7393).
14. The Rules Committee reported a resolution for consideration of S. 418, to provide for WATER POLLUTION control (p. 7393).
15. INDIAN RELIEF. The Public Lands Committee reported without amendment H. R. 6660, to improve conditions among the Navajo Indians (H. Rept. 2212)(p. 7392).

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD.

WORLD HEALTH ORGANIZATION

Mrs. BOLTON submitted the following conference report and statement on the joint resolution (S. J. Res. 98) providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 98) providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the President is hereby authorized to accept membership for the United States in the World Health Organization (hereinafter referred to as the Organization), the constitution of which was adopted in New York on July 22, 1946, by the International Health Conference for the establishment of an International Health Organization, and deposited in the archives of the United Nations.

"Sec. 2. The President shall designate from time to time to attend a specified session or specified sessions of the World Health Assembly of the Organization not to exceed three delegates of the United States and such number of alternates as he may determine consistent with the rules of procedure of the World Health Assembly. One of the delegates shall be designated as the chief delegate. Whenever the United States becomes entitled to designate a person to serve on the Executive Board of the Organization, under article 24 of the constitution of the Organization, the President shall designate a representative of the United States, by and with the advice and consent of the Senate, and may designate not to exceed one alternate to attend sessions of the Executive Board. Such representative must be a graduate of a recognized medical school and have spent not less than three years in active practice as a physician or surgeon. Such representative shall be entitled to receive compensation at a rate not to exceed \$12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed \$10,000 per annum for such period or periods as the President may specify, except that no Member of the Senate or House of Representatives or officer of the United States who is thus designated shall be entitled to receive such compensation: *Provided*, That no person shall serve as such representative, delegate, or alternate until such person has been investigated as to loyalty and security by the Federal Bureau of Investigation.

"Sec. 3. There is hereby authorized to be appropriated annually to the Department of State—

"(a) such sums, not to exceed \$1,920,000 per annum, as may be necessary for the payment by the United States of its share of the expenses of the Organization, including those incurred by the Interim Commission, as apportioned by the Health Assembly in accordance with Article 56 of the Constitution of the Organization; and

"(b) such additional sums, not to exceed \$83,000 for the fiscal year beginning July 1, 1947, as may be necessary to pay the expenses incident to participation by the United States in the activities of the Organization, including—

"(1) salaries of the representative and alternate provided for in section 2 hereof, and appropriate staff, including personal services in the District of Columbia and elsewhere, without regard to the civil-service laws and the Classification Act of 1923, as amended; services as authorized by section 15 of Public Law 600, Seventy-ninth Congress; under such rules and regulations as the Secretary of State may prescribe, allowances for living quarters, including heat, fuel, and light and cost of living allowances to persons temporarily stationed abroad; printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U. S. C. 111), and section 3709 of the Revised Statutes, as amended; and

"(2) such other expenses as the Secretary of State deems necessary to participation by the United States in the activities of the Organization: *Provided*, That the provisions of section 6 of the Act of July 30, 1946, Public Law 565, Seventy-ninth Congress, and regulations thereunder, applicable to expenses incurred pursuant to that Act shall be applicable to any expenses incurred pursuant to this paragraph (b) (2).

"Sec. 4. In adopting this joint resolution the Congress does so with the understanding that, in the absence of any provision in the World Health Organization Constitution for withdrawal from the Organization, the United States reserves its right to withdraw from the Organization on a one-year notice: *Provided, however*, That the financial obligations of the United States to the Organization shall be met in full for the Organization's current fiscal year.

"Sec. 5. In adopting this joint resolution, the Congress does so with the understanding that nothing in the Constitution of the World Health Organization in any manner commits the United States to enact any specific legislative program regarding any matters referred to in said Constitution."

And the House agree to the same.

FRANCES P. BOLTON,
WALTER H. JUDD,
WIRT COURTNEY,

Managers on the Part of the House.

A. H. VANDENBERG,
H. C. LODGE, Jr.,
TOM CONNALLY,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 98) providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate joint resolution after the resolving clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate joint resolution and the House amendment. The substitute agreed to substantially follows the House amendment. Except for clarifying, clerical, and minor changes, the differences between the House amendment and the substitute agreed to in conference are explained below.

The House amendment provided that the representative of the United States on the Executive Board of the World Health Organization must be a graduate of a recognized medical school and have spent not less

than 10 years in active practice as a physician or surgeon. There was no corresponding provision in the Senate joint resolution. The conference substitute retains the House provision, with the 10-year requirement reduced to 3 years. In this connection it will be noted that the Senate conferees accepted the House provision requiring the representative to be designated by and with the advice and consent of the Senate.

The House amendment provided that no citizen of or resident in the United States shall participate in any session, conference, or meeting, or other work of the World Health Organization or of any subordinate committee or organization thereof, without the consent of the Secretary of State. The conference substitute omits this provision. However, the House provision requiring investigation as to loyalty and security by the Federal Bureau of Investigation has been retained.

The Senate joint resolution authorized the appropriation annually of such sums as may be necessary for the payment by the United States of its share of the expenses of the Organization and such additional sums as may be necessary to pay the expenses incident to participation by the United States in the activities of the Organization. The House amendment authorized an annual appropriation of not to exceed \$1,920,000 for expenses of the Organization and further provided that "the annual United States quota of contribution to the total budget of the Organization shall not be greater in proportion than the United States quota of contribution to the total budget of the United Nations" and authorized additional sums for United States participation in the activities of the Organization. The conference substitute retains the House provision putting a ceiling of \$1,920,000 per annum on the United States share of the expenses and all other provisions of section 3 authorizing appropriations, except the requirement quoted above as to quota of contribution.

The Senate conferees also agreed to the House provision (sec. 5) making clear that nothing in the constitution of the World Health Organization "in any manner commits the United States to enact any specific legislative program regarding any matters referred to in said constitution."

FRANCES P. BOLTON,
WALTER H. JUDD,
WIRT COURTNEY,

Managers on the Part of the House.

FOREIGN AID APPROPRIATION BILL, 1949

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 633 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, and all points of order against the bill or any provisions contained therein are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this is an open rule, with the exception that points of order are waived. The Committee on Appropriations felt that it was necessary that points of order be waived in order to preserve certain restrictions which they feel are necessary in order to administer this relief program in the highest degree.

This resolution permits amendments to be offered, and one motion to recommend. It provides for 4 hours of general debate.

Although some of us are opposed to the bill, I know of no one who is opposing this resolution.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I shall not actually oppose the rule because it would unnecessarily take the time of the House. I shall not even ask for the yeas and nays on the rule. However, I do wish to make a few observations.

The rule has been granted on a bill that had not even been introduced and bore no number when the gentleman from New York [Mr. TABER], chairman of the Committee on Appropriations, appeared before the Committee on Rules. The report on the bill was only partially prepared, and the unnumbered bill, itself, carried insertions of pasted-in, typewritten amendments, as you will note from the copy which I hold in my hand. You will see that the bill was not even printed, and included amendments that had been agreed on, and that are now, I presume, in the printed bill that has been reported. This merely shows the indifference that has been shown toward the right of Members to familiarize themselves with the provisions of this important measure.

This bill calls for the appropriation of \$5,900,000,000 and a few extra millions, which amount means nothing to us now, in addition to a loan of \$1,000,000,000, which very likely will never be repaid. Yet only a few minutes ago we refused to listen to the appeal that would make it possible to provide \$10,000,000 additional for school lunches for our children. In view of the extremely high cost of living, many of the poor children are unable to have decent lunches, and the school boards are unable to provide decent, wholesome lunches for them. Just think of it. Many of them really in need are relying on this little school lunch that they can get at a reasonable price, yet here we appropriate billions for feeding not only the children of Europe but even men and women, and people who have not been very friendly to our country, at that.

AID TO GERMANY

We provide in this bill over \$1,100,000,000 for the aid of Germany, whom to defeat cost our country over 300,000 lives and nearly one million in casualties and an expenditure of over \$250,000,000,000 in the prosecution of the war, the country that was responsible for the war and that is now preparing for a third World War. We appropriated these tremendous sums in addition to the \$2,000,000,000 we have already given them since the cessation of

hostilities and this notwithstanding that the evidence discloses many of its people are not trying to help themselves. I wonder how long this will continue and how long we will be obliged to appropriate billions of dollars to help the people of Europe who refuse to help themselves. Mr. Speaker, I am in favor of helping all the needy children of Europe and the hungry and starving people. That has always been my position. But I cannot understand why we should continue to spend these billions and billions of dollars and send them to countries which have not only been unfriendly, but which I fear will not be friendly towards us in the future. At least, judging the future by the past, I fear very much that most of this money will be wasted and will not be appreciated by those who are getting this great help and assistance from us. We know that after the last war, the Germans through their propaganda, obtained a great deal of help from our country and within a few years started to prepare for the Second World War. I am afraid that they are doing the same thing today with the great propaganda that is going on to help the poor Germans and the German manufacturers. In view of what happened after the First World War, even worse may happen today. Many of you gentlemen who have studied and are acquainted with the practices of the I. G. Farben cartel of Europe, with this octopus that has mulcted the American people out of millions of dollars for so many years, know that that same group by changing some of the names of the officers is being again helped to obtain control of this great institution, as well as the Krupp works and other industrial plants controlled by German trusts and combines that produce war material.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. RANKIN. And is it not a fact that a great deal of this money is going to Communist countries?

Mr. SABATH. In that connection I want to say, and I want to be understood rightly, that I am in favor of spending all the money necessary to fight communism here. If I thought that the appropriation would eliminate communism in Europe, I would not object. Naturally, I would be only too pleased to support any and all provisions in the bill. But such is not the case. For instance, in this bill we are providing for \$1,200,000,000 to Great Britain. That is in addition to the \$3,750,000,000 that we have given Great Britain about a year and a half ago. No one will contend that this appropriation is for the purpose of fighting communism. We know that Great Britain cannot be so hard up that we should continue to pour our taxpayers' money into Great Britain, when a great deal of that money is being spent by her for war purposes, financing the Arabs, paying large sums of money to their greedy king down in Arabia, supplying money to pay their colonels, generals, and military advisers who are leading, training, and fighting side by side with the Arabs, and who have willfully and deliberately delayed innumerable times to bring about an adjustment of differ-

ences between the Arabs and the Jews, as recommended by several commissions and by the United Nations Organization.

Great Britain, to my mind, has been responsible for many millions that we have appropriated, and will continue to appropriate if we permit ourselves to be used in the future as we have in the past.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. RANKIN. Is it not a fact that after the last war every country in Europe, with the exception of Finland, repudiated its debts to the United States and refused to pay back more than \$10,000,000,000 of loans that we made them?

Mr. SABATH. Not only have they repudiated the debt, but when we even asked for one-half of 1 percent interest on the money we advanced, they called us Shylocks and all kinds of names. That was the appreciation shown by the people in many of those countries. To be accurate in answering the gentleman from Mississippi, I am inserting the total indebtedness of the foreign countries:

World War I debts owed the United States as of July 1, 1947

COUNTRY AND TOTAL INDEBTEDNESS	
Funded debts:	
Belgium.....	\$520, 211, 077. 60
Czechoslovakia.....	184, 247, 307. 74
Estonia.....	25, 636, 760. 81
Finland.....	8, 259, 270. 28
France.....	4, 760, 727, 124. 40
Germany (Austrian indebtedness).....	26, 024, 539. 59
Great Britain.....	6, 719, 464, 782. 58
Greece.....	37, 745, 215. 10
Hungary.....	2, 873, 678. 38
Italy.....	2, 062, 176, 909. 34
Latvia.....	10, 593, 416. 04
Lithuania.....	9, 495, 275. 51
Poland.....	320, 829, 064. 20
Rumania.....	78, 527, 457. 53
Yugoslavia.....	64, 012, 968. 78
Total.....	14, 830, 824, 847. 88
Unfunded debts:	
Armenia.....	28, 587, 071. 07
Russia.....	467, 339, 367. 69
Total.....	495, 926, 438. 76
Grand total.....	15, 326, 751, 286. 64

Mr. Speaker, I am fearful that again we will within a very short time have the same experience with these loans and advances, and that of all the money we are pouring out not a penny will come back to us.

Mr. RANKIN. Will the gentleman yield further?

Mr. SABATH. I yield.

Mr. RANKIN. This is a gift of \$5,900,000,000. They do not even pretend that this is a loan.

Mr. SABATH. Oh, no, no.

Mr. RANKIN. It is not to feed the hungry people, but it is a gift to the heads of a few governments over there.

Mr. SABATH. Why, of course; and to pay many of the governments that have been proven, beyond any doubt, to be corrupt. They have utilized many of the articles and the food that we have sent them for aid and put it into the black market. Officials were benefited to the tune of hundreds of thousands of dollars.

That was true in Greece; the same thing in China; and in Germany and in Great Britain. Great Britain is building up its industries now at our expense, and we are aiding the Farben cartel to build up its industries again, to compete with America, and at the same time give them the right and the privilege to fleece the American people and people all over the world on all their products, whether they are chemicals, dyes, or any other product on which they may have a monopoly through cartel and license arrangements.

The question has been raised as to potash fertilizer. I know that in past years it cost our country millions upon millions which we were obliged to pay, in addition to the regular cost, for the German potash fertilizer that we were obliged to use, and on which they have a monopoly. The same situation exists with Great Britain. She has a monopoly really on tin, lead, rubber, and a lot of other products, yet we are going to help poor Great Britain out with additional millions.

I realize the interest we have in trying to eliminate communism in the old country, in Europe especially; yes, and in China; but I am fearful that what we are doing will not bring that about. I think we should take into consideration how far and how long we can continue to pour the millions and billions of our taxpayers' money into these countries.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes.

Mr. NICHOLSON. Who started pouring this money out that the gentleman is talking about?

Mr. SABATH. Who?

Mr. NICHOLSON. Yes.

Mr. SABATH. I did not want to say anything about politics, I dislike it, but I will tell the gentleman that I think our former President Hoover, with his Republican adviser, John Foster Dulles, the Wall Street lawyer and manipulator, General Dawes, and a former member of the firm of Dillon, Read & Co., and other big bankers of Wall Street, including Mr. Morgan and a few of the big banks, were responsible. They have certain interests over there, especially in the cartels, and in the rebuilding of German and British industry.

It is the same group, or representatives of the same Wall Street interests, who are misleading our President. He means well, he actually has the interest of the country at heart, but he permitted these Republican gentlemen to mislead him. That, indeed, is unfortunate. He did it because of the promises of the Republicans, because the Republicans had control of the House and the Senate, and he believed that the Republicans would support him on domestic issues, that they would support him on legislation that he recommended in the interests of our country. But they are not interested in the United States, they are interested in the financial and industrial corporations and institutions abroad that they want to rebuild and make strong again so that they can compete with American industry. They are rebuilding the plants over there, even taking plants over there from this country.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. RANKIN. Let me say to the distinguished gentleman from Massachusetts [Mr. NICHOLSON], in answer to his question, that they started this in 1926, I believe it was during the Coolidge administration when they brought in legislation here to virtually cancel the \$10,000,000,000 the European countries owed us, in order that they might get their protected goods over the tariff walls. That is what is behind this measure. Steel and tobacco and aluminum and even peanuts and a large number of other things they are trying to shove over the tariff wall at the expense of the taxpayers of the United States.

Mr. SABATH. I disagree frequently with the gentleman from Mississippi, but I am indeed gratified that he is right on this proposition, and I know he is well informed on it.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I know the gentleman from Mississippi has the interest of the country at heart. He is a little fearful of the so-called communistic danger here but he fails to realize that there is greater danger to us here from fascism as represented by these very men to whom I have called attention that have these greater interests in Europe, who are rebuilding Europe at the expense of the interests of the American people. Why, I realize, and you all realize, that the cost of living has gone sky high. In fact, in the last 18 months the cost of living has gone up in this country by nearly 50 percent, so much so that many people who have accumulated a few dollars in war bonds to be secure in the future, since you Republicans came into power during the last 18 months, have been obliged to sell their bonds and to now buy on credit terms. The record shows that the amount of credit that has been extended is tremendous.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. MULTER. A large part of the funds appropriated by this bill will go to Great Britain. Does not the gentleman agree that as long as Great Britain can find money of her own to aid aggressor nations, she should get none of ours.

Mr. SABATH. That is what I am seeking to bring out. That is my position. If any of this money goes to the actual needy and starving, I shall be only too pleased to vote for it, but I resent that we should be imposed upon by a few leaders who actually have not the interest of our country at heart. Their interest lies over there because they have for years represented the lords, the dukes, and those very large interests that have not only competed against our markets but have tried to steal our markets from under our very noses. This being the case, I feel it will be a great mistake if we permit ourselves to be used by that element, by these shrewd lawyers representing the Wall Street interests and the big interests, to finance

industries over there at the expense of our own country.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Mississippi.

Mr. RANKIN. In reference to the subject to which I referred a few moments ago, those measures brought to the floor of the House in the twenties during the Coolidge administration did not cancel the debts outright but extended them over a period of 62 years. Everybody admits that no international debt extending beyond the life of a generation has ever been paid. It was understood all around that meant cancellation.

Mr. SABATH. Not only that, but after President Hoover was elected, he recommended the cancellation of the debt, amounting to close to \$10,000,000,000, which Germany owed us at that time. Now, we are appropriating most of this money for those who opposed us in the First as well as in the Second World War.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. As I remember it, Hoover wanted to put a moratorium on the debt. Then when President Roosevelt came in we never got a single nickel from Germany or England or anybody else and have not got anything since.

Mr. SABATH. Mr. Hoover really canceled the debt. I have not the exact word for it.

Mr. NICHOLSON. He asked for a moratorium. You people would not give it to him, and you were in control at that time.

Mr. SABATH. I know a little bit more about it than the gentleman.

Mr. NICHOLSON. Oh, I have been reading your record ever since I was born, because you have been here over 42 years.

Mr. SABATH. I am glad the gentleman has read my record, because it gives him information in the right direction. If he had paid real attention, if he had given serious consideration to what I said, he would not be sitting on that side; he would be sitting over here; at least he would not permit himself to be used as a rubber stamp as most of you on that side are. During the last war you charged we were rubber stamps. That did not apply then. But it does surely apply today to those on that side of the aisle.

Now, in view of conditions, I want to say this, that I intend to, or someone else will, make a motion later on to strike out the provisions for Great Britain, unless we succeed in embodying in the bill an amendment that no part of this money that is to be given to Great Britain shall be used for the purpose of feeding their King in Arabia and financing the war against the Jewish people, and also paying for tremendous large forces of British generals and colonels that are living on our money, fighting with our money and using our money for the purpose of trying to destroy the efforts and the aspirations and the hopes of the Jewish people to obtain their freedom and liberty. And

their government will not be a communistic government either. It will be a real, progressive, democratic country. They are people who believe in democracy and in a democratic form of government.

Mr. KLEIN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. KLEIN. Does the gentleman not agree that if such an amendment should carry, and if funds to Great Britain should be cut off from this bill, that they would soon stop their aggression and their encouragement of the aggressive Arab States in their war on the New Jewish State of Israel?

Mr. SABATH. Well, I think it would. Personally I know, and history tells me, and I have been more or less familiar with the activities of Great Britain, that Great Britain has always been for Great Britain first, last, and all the time, regardless of the conditions in which her friends were. She was at all times ready and willing to sacrifice anyone at any time if it would be in her own interest.

BRITISH INFLUENCE

Mr. Speaker, in conclusion I wish to respectfully add that I cannot withhold my sympathy from President Truman in his unfortunately being surrounded and misinformed, as I have stated before, by many foreign-interest-minded men, especially those in the State and the Defense Departments, who are influenced in their thinking in the first place by shrewd, designing men representative of vicious financial and economic groups that seek to have the United States assume British responsibilities, thwart any plan looking to a satisfactory composition of Russian-United States differences, and promote the interests of such evil institutions as I. G. Farbenindustrie cartels. It is, indeed, a crying shame that such marplots are in position to determine our foreign policy.

Then we have the difficulty of an inadequate fuel oil supply. These men to whom I have referred are making it most difficult for our industries to function, in that steel and oil are deliberately withheld with a view to providing an excuse for our aiding the American and British oil interests in Arabia. Not only are these men playing fast and loose with our own economy, but they are working against the interests of our friendly neighbor, Mexico. Hundreds and hundreds of tons of steel badly needed by United States industries were and are being sent to the Arabian oil fields by the Department of Commerce under the direction of the Secretary of Defense, Mr. Forrestal, and former Secretary of Commerce, Mr. Harriman.

FACE ABOUT ON THE PALESTINE SITUATION

These same men misinformed and persuaded the President to face-about on the Palestine problem, thereby deceiving the President and at the same time stabbing the country in the back, all for purely selfish reasons. They stop at no place. They caused our Government to abrogate the loan agreement with Czechoslovakia, which worked in the interest of the Communists, who use such con-

duct as an excuse for saying that we first serve and cooperate with those of Hitler ideologies and deny help to those who remained neutral or were on our side in the late war. It is being said we are now not on the side of those who fought, bled, and died in our war aims.

CZECHOSLOVAKIA SHOULD HAVE HAD OUR SUPPORT

If we had treated Czechoslovakia half decently, she could have warded off the communistic infiltration that brought her to her knees, but our wisdom and farsightedness were not equal to the occasion and opportunity. Czechoslovakia, with our real support, could have resolved the differences between the east and the west in Europe and effected a satisfactory understanding and adjustment, but our short-sighted foreign policy spelled failure.

That our State Department is controlled by those who veer toward militarism is beyond question. Unconsciously, and I fear at times consciously, they think in terms of inspiring war and connive with stupid English statesmen bent upon imperialistic designs and a further bleeding of the United States to promote socialization, nationalization, royal weddings, increased civil pension lists, and the remainder of the things that rest so near the heart of Attlee's socialist group. If a Britisher with a dulcet voice should tell our State Department that the moon is made of cheese, that affirmation would at once assume the status of a truism with the State Department.

I feared when President Roosevelt appointed a Republican Secretary of War and a Republican Secretary of the Navy. Of course, that was done with the best possible motive of effecting maximum cooperation in prosecution of the war. The late Secretary of the Navy brought to his office one of the high priests from Wall Street, the then head of Dillon, Read & Co.; and I regretted to see President Truman appoint that same high priest as first Secretary of Defense, where he ever parrots the aspirations of Wall Street.

DETERMINATION OF GOVERNMENT POLICY

Not only do we find such men as the Secretary of Defense in position to determine Government policy; we go farther and revive Mr. Hoover, the man who placed a chicken in every pot and two automobiles in every garage, and assign him to the important task of reorganizing the executive branch of Government. God save the executive branch of Government.

But we do not stop there. We give John Foster Dulles high place as adviser to our Secretary of State.

And now Dean Acheson, late Under Secretary of State, is not inactive in looking after the interests of malefactors of great wealth.

All these gentlemen work to have the United States pull British chestnuts from the fire, cause the United States to underwrite everything British and un-American. Instead of trying to effect an understanding between the United States and Russia, employ the good offices of the UNO to the fullest possible extent, they work in the opposition direction, at

least that is the net result. In that way they follow the Hitler technique. The great cartel and Farbenindustries interests leagued together ostensibly to fight communism, but really to destroy freedom throughout the world.

A COMMISSION SHOULD BE APPOINTED TO EXAMINE AND REPORT ON GOVERNMENTAL POLICIES

I believe that if the President were not surrounded by his current advisers, who tell not the truth, the whole truth, and nothing but the truth, we would do better in searching for the peace we all so very much desire. Most of his advisers think in terms of great wealth and an enthronement of militarism in the United States.

I believe a Commission to examine and report on our governmental policies should be created by the Executive at once. Such a Commission, made up of intelligent, patriotic Americans, could do much to enlighten the President and enable him in this feverish hour to regain the confidence of the American people. There should be a greater resort to the good offices of the UNO which was created solely to properly resolve world differences and bring peace, prosperity, and plenty to a heart-sick world.

I urge the creation by the Executive of such a Commission to make a thorough, unbiased, intelligent study of world conditions.

We all know that all well-disposed people, and practically all Americans as such, are resolutely opposed to war and are praying for peace.

I feel that this matter is of such great importance that no time should be lost before trying to deal with it as I have outlined.

Mr. Speaker, under the leave given me, I insert a statement signed by 20 outstanding Americans, bearing on the German situation, that I feel is entitled to real consideration by the Congress and the American people. It is entitled "Last Chance in Germany," and is as follows:

LAST CHANCE IN GERMANY

It cost the world millions of lives to crush the Nazi war machine. For more than 2½ years there has been talk of peace terms. Yet a German menace still remains.

At Potsdam, in August 1945, the leaders of the United States, Great Britain, and the Soviet Union agreed on a program which would rid the world of Nazi threats. The Potsdam agreement called for a democratic Germany, unified, and cleansed of Nazis, cartels, and militarists. It reflected completely the policies outlined by Franklin D. Roosevelt.

TODAY, THE PROMISE OF POTSDAM IS STILL UNFULFILLED

We feel that the American people must face the ugly truth: The problem of Germany has once more brought us to the edge of disaster. What is worse, there remains little time to argue the question of Germany's future.

A German peace treaty was the main topic at the London meeting of the Big Four foreign ministers. The time for planning and debate is reaching an end. Since negotiations have failed, we must be truly on the alert against any kind of separate peace being made with part of Germany, for then it must be said that we shall have taken a huge leap toward war.

We urge the American people to take one more look at what has happened in Germany. In our own zone of Germany, where

ours is the main responsibility, we have failed in our pledge to wipe out nazism. Franklin Roosevelt's plans have been scrapped. The Truman administration long ago allowed itself to move away from the policies laid down at Potsdam; in their place have been put the policies of Dulles and Hoover. Here is the record of what has been done:

1. We told the world we would remove the war guilty. We have failed to do so. The whole job of cleaning out Nazis—denazification—has long since been turned back to the Germans. Repeated amnesties toward Nazis have been declared. At best, no more than a third of the possible war criminals were ever screened. We have not even removed war makers from the most important jobs in Germany, and Nazis and their financial supporters have been allowed to return to their positions of power. Names like Poengsen, Dinkelbach, Abs, and Von Schroeder are not as well known as Goering and Goebbels. Yet the bearers of those names were leading industrialists who planned the war and they are still active and influential in western Germany.

What of the German general staff? We said they should never be able to plan another war, as they did after World War I. What kind of watch is being kept over these engineers of the blitzkrieg? There is no answer either from Germany or from the State Department.

The Nazis and Junkers have been shielded by our own officials in military government—often men from influential corporations. The reason? It must be stated bluntly: Hope of future gain and control of a base of operations in the dangerous game of power politics.

2. We said we would knock out Nazi armament industries. We failed to do so by bombing. We have not done so by military occupation. Originally, more than 1,500 industrial plants in western Germany were marked for dismantling, their equipment to be shipped to Allied countries as reparations. Then the number was cut to 600. But even the smaller figure is meaningless. In 30 long months of the occupation, no more than two dozen plants have actually been dismantled or their special war-making equipment destroyed in any degree. Every change in our plans for the German economy has given the Germans more industrial capacity—at the expense of our wartime allies. And to rebuild German industry without taking it out of the hands of its former masters means to rebuild the Nazi war machine. The Ruhr arsenal is still in the hands of war makers.

3. We said we would destroy the German cartel system. Before the war the big German combines controlled most of Europe by means of cartel agreements. The cartels paved the way for the blitzkrieg. Yet the essential features of the cartel system remain. There is every indication that major United States corporations are renewing and tightening their links with German industry.

The simplest proof of the renewed danger of the German cartel system is seen in the fears of Germany's neighbors. Countries like France and Poland know from tragic experience what can happen to Germany's business satellites. Even the recent Harriman committee report admits that "The fears of neighboring nations are thoroughly understandable." Equally understandable is the procartel drift of our policy. John Foster Dulles, a key figure in the group around Secretary of State Marshall, was for years the intimate business associate of such German cartelists as Baron Kurt von Schroeder, who was one of the top liaison officials between Hitler and the German industrialists.

4. We have stated over and over that Germany cannot be split without disastrous political consequences in Europe. Yet the bipartisan drafters of foreign policy are now talking about a separate peace with

western Germany. The result of this policy would be a historical monstrosity. The effort of the two parts of Germany to reunite could throw Europe into turmoil for decades.

Much worse, a separate peace with western Germany would force a wider breach among the Allied Powers which defeated Germany. It must be said, with full realization of the gravity of the charge, that a separate peace would be a long step toward war.

Germany must grow again as a democracy. The props of the Nazi war machine must be wrecked and the German cartel system replaced by a democratic form of economic organization. It has been basic to every policy agreed to by Allied Powers that there must be some kind of unity of the Germans.

To settle the German problem quickly and safely, we urge the following program:

1. There must be no separate peace with part of Germany.

2. The reparations question can and must be settled satisfactorily for all nations which fought in the alliance against Hitler.

3. We must carry out Franklin D. Roosevelt's pledges—(a) to aid anti-Nazi Germany in rebuilding a united and democratic Germany; (b) to eliminate the cartel stranglehold from the new German economy; (c) to remove war criminals; (d) to dismantle all arms plants.

Louis Adamic, Balocovic, Elmer Benson, Jo Davidson, Olin Downes, W. E. Dubois, Allen Freelon, Ira Hirschman, James S. Martin, Russ Nixon, Abraham L. Pomerantz, O. John Rogge, Elliott Roosevelt, Representative Sadowski, Richard Sasuly, Frederick Schuman, Rexford Tugwell, Ray Walsh, A. F. Whitney.

Mr. Speaker, I also insert a resolution adopted by district 8 executive board of the Congress of Industrial Unions advocating a 25 percent direct annual tax on all foreign assets in the United States; the income from such levy to be made available to the agencies of the United Nations for direct aid to those foreign countries. It is estimated that there are \$27,000,000,000 of hoarded foreign assets in this country which, if returned to the various foreign nations, would aid in their economic rehabilitation and provide for the relief of their citizenry. The resolution reads as follows:

According to the master report of the President's Committee on Foreign Aid, an estimated \$27,000,000,000 are owned in this country by foreign bankers, industrialists, kings, dukes, duchesses, and the idle rich of the 16 foreign countries seeking dollar loans under the Marshall plan.

The report states that such assets are divided into hoarded cash dollars and gold amounting to sixteen or seventeen billions and in investments in American real estate, mortgages, and trust funds totaling eight billions. Of these eight billions, approximately three and one-half billions are in stocks and bonds; the rest mainly in direct investments, real estate, mortgages, and trust funds.

The idle rich, the former industrialist and Nazi collaborators and moth-eaten royalty of Europe wax fat on American industrial profits and rent gouging and stock dividends, while hunger and deprivation haunt the people of Europe.

Europe's plutocrats, through their billions of hoarded gold and investments in America, share with their American blood brothers of Wall Street in the benefits of rent increases, industrial speed-up, profiteering in food and clothing, and the lush profits of the steel, railroad, auto, utility, and other giant American trusts. Every time rents are increased, every time prices go up, every time new speed-up methods are introduced, the pick-pockets of Europe's idle rich get their cut

from the wholesale robbery of the American purse.

And now the men of Wall Street who run Washington are proposing that the American people continue to pay high taxes to support the Marshall plan, the plan which gives aid to the efforts of the plutocrats of Europe to regain their positions of pomp and power, and to safeguard their twenty-seven billions of gold and investments in America.

This twenty-seven billions of gold and other wealth rightfully belongs to the people of the 16 countries which now seek our aid. It should be returned to them to be used to feed, rehabilitate, and reconstruct their countries.

Those powerful Wall Street forces in Government who seek to safeguard the gold hoards of Europe's idle rich must be exposed.

Why should American people pay high income taxes to be used for loans and grants to the European nations whose idle rich possess twenty-seven billions of hoarded assets in America? Why shouldn't the people demand of our Government that these riches be used to give the European farmer equipment to till and fertilize the soil and harvest the crops? Why shouldn't these billions be used to rehabilitate foreign industry and provide mass housing for the people? Why shouldn't these vast hoards be used for the people's good? Government agency after Government agency, congressional committee after committee, and Mr. Marshall himself, have all talked about self-aid for Europe. What better place could that start be made than in the use of these twenty-seven billions of hoarded foreign assets in America?

Therefore be it resolved:

1. That we demand an immediate levy by our Government of a 25 percent direct annual tax on all private foreign assets in America; the income from this levy to be made available to the agencies of the UN for direct aid to those foreign countries from which it came. And that this plan of taxing the twenty-seven billions of hoarded foreign assets and distributing the income therefrom be started immediately.

2. That the Government make public a complete list of all holdings and assets in this country by citizens of other countries.

3. That no taxes shall be used to finance any foreign aid to a country whose nationals retain gold or other financial holdings in America which is not being used for the purchase of food or other materials needed for the citizens of their country.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, of course, I disagree with the gentleman from Illinois [Mr. SABATH] on his attitude toward Great Britain; but I am for voting down this rule and, if it is adopted, I expect to vote against the bill.

If we are going to feed the hungry people of Europe, let us do it through the Red Cross. That is not what this is for. You are getting ready to spend billions of dollars out of the pockets of the American people when our Government is virtually bankrupt. This money is to be given to the heads of the various governments involved.

If we were to go back to the prewar price levels our National debt would amount to as much as the value of all the property in the entire Nation.

I am unwilling to embark upon what I consider a thoroughly dishonest policy of taxing the people I represent and giving the proceeds to foreign countries without even a promise of repayment.

Now, do not get the idea that Wall Street is going to pay all this in income taxes or that the big interests are going to pay it. It is going to come from the toiling masses you and I represent. That little fellow out on the farm or down in the shop or behind the counter may not pay any income tax, but he pays the man who pays the taxes, or pays the man who pays the man who pays the taxes. It comes out of him after all.

The question was raised here a little while ago about our old people. Why not use this money to help them? If we are going to spend this money, why not first, as the gentleman from Michigan said, look after our own old people.

There is petition No. 14 on the Clerk's desk to bring out the bill for an adjusted compensation for those millions of servicemen who fought the war, came back, and went to work and have not received a dollar. How many of you have signed that petition? Why not take care of our own servicemen who fight the Nation's battles in times of war and sustain its institutions in times of peace?

I am going to vote against the motion for the previous question; I shall vote against the rule; and I shall vote against the bill. I am not willing to embark my country upon a policy that may mean national bankruptcy.

That is what a great many of our enemies at home and abroad want. They want to see this country bankrupt and dragged down to the economic level of the poorest countries in the world.

They will never do it with my vote.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. HERTER. Mr. Speaker, I hope very much that the previous question will be ordered and that the rule will be adopted.

Mr. Speaker, I move the previous question.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 94, noes 3.

Mr. RANKIN. Mr. Speaker, I object to vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. RANKIN. Mr. Speaker, I will withdraw that point of order and take the vote on the rule.

So the previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 142, noes 4.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 329, nays 22, not voting 80, as follows:

[Roll No. 93]
YEAS—329

Abernethy	Elston	McConnell
Albert	Engle, Calif.	McCowan
Allen, Calif.	Evins	McCulloch
Allen, Ill.	Fallon	McDonough
Allen, La.	Feighan	McDowell
Andersen,	Fellows	McGarvey
H. Carl	Fenton	McGregor
Andresen,	Flannagan	McMahon
August H.	Fletcher	McMillan, S. C.
Andrews, Ala.	Fogarty	McMillen, Ill.
Angell	Folger	Mack
Arends	Foot	MacKinnon
Arnold	Forand	Macy
Auchincloss	Fuller	Mahon
Bakewell	Fulton	Maloney
Banta	Gamble	Manasco
Barrett	Garmatz	Mansfield
Bates, Ky.	Gary	Martin, Iowa
Bates, Mass.	Gavin	Mathews
Battle	Gearhart	Meade, Ky.
Beall	Gillette	Merrrow
Beckworth	Goff	Meyer
Bell	Goodwin	Michener
Bender	Gordon	Miller, Conn.
Bennett, Mich.	Gorski	Miller, Md.
Bennett, Mo.	Gossett	Miller, Nebr.
Bishop	Graham	Mills
Blackney	Granger	Mitchell
Blatnik	Grant, Ala.	Morgan
Bloom	Grant, Ind.	Morton
Boggs, Del.	Gregory	Muhlenberg
Boggs, La.	Griffiths	Multer
Bolton	Gross	Murdock
Bonner	Gwinn, N. Y.	Murray, Tenn.
Boykin	Hagen	Murray, Wis.
Bradley	Hall	Nicholson
Bramblett	Leonard W.	Nixon
Brehm	Halleck	Nodar
Brooks	Hand	Norblad
Brophy	Hardy	Norrell
Brown, Ga.	Harless, Ariz.	Norton
Brown, Ohio	Harris	O'Brien
Bryson	Harrison	O'Hara
Buchanan	Hart	O'Toole
Buck	Harvey	Pace
Buffett	Havener	Passman
Bulwinkle	Hays	Patman
Burke	Hébert	Peden
Burleson	Hendricks	Peterson
Busbey	Herter	Pfeiffer
Butler	Heseltun	Philbin
Byrnes, Wis.	Hess	Phillips, Tenn.
Camp	Hill	Pickett
Canfield	Hobbs	Poage
Cannon	Hoeven	Potter
Carroll	Hoffman	Poulson
Carson	Holmes	Preston
Case, N. J.	Hope	Price, Fla.
Case, S. Dak.	Horan	Price, Ill.
Celler	Huber	Priest
Chadwick	Jackson, Calif.	Rains
Chapman	Jackson, Wash.	Ramey
Chelf	Jarman	Rayburn
Chenoweth	Javits	Redden
Church	Jenison	Reed, Ill.
Clason	Jenkins, Ohio	Rees
Cole, Kans.	Jennings	Reeves
Cole, Mo.	Jensen	Regan
Cole, N. Y.	Johnson, Calif.	Richards
Colmer	Jones, Ala.	Riehlman
Cooley	Jones, N. C.	Riley
Cooper	Jones, Wash.	Rizley
Cotton	Jonkman	Rockwell
Courtney	Judd	Rogers, Fla.
Cox	Karsten, Mo.	Rogers, Mass.
Cravens	Kean	Rohrbrough
Crosser	Kearns	Rooney
Crow	Keating	Ross
Cunningham	Keefe	Russell
Curtis	Kelley	Sabath
Dague	Kerr	Sadlak
Davis, Ga.	Kersten, Wis.	St. George
Davis, Tenn.	Kilburn	Sanborn
Davis, Wis.	Kilday	Sarbacher
Dawson, Utah	Kirwan	Sasser
Deane	Klein	Schwabe, Okla.
Delaney	Kunkel	Scott, Hardie
Devitt	Lanham	Scott,
D'Ewart	Latham	Hugh D., Jr.
Dingell	Lea	Scrivner
Dirksen	LeCompte	Seely-Brown
Dolliver	LeFevre	Shafer
Domengeaux	Lewis, Ky.	Simpson, Pa.
Dondero	Lewis, Ohio	Smathers
Donohue	Lichtenwalter	Smith, Va.
Douglas	Lodge	Snyder
Eaton	Love	Somers
Eberhart	Lucas	Spence
Ellsworth	Lyle	Stanley
Elsasser	Lynch	Stefan

Stevenson
Stockman
Stratton
Sundstrom
Taber
Talle
Teague
Thomas, Tex.
Tibbott
Tollefson
Towe

Trimble
Vail
Van Zandt
Vinson
Vorys
Vursell
Wadsworth
Walter
Welch
Welch
Wheeler

Whitten
Wigglesworth
Williams
Wilson, Ind.
Wilson, Tex.
Winstead
Wolcott
Wolverton
Wood
Woodruff
Worley

NAYS—22

Barden
Clevenger
Crawford
Doughton
Ellis
Gillie
Harness, Ind.
Hull

Isacson
Landis
Larcade
Lemke
Lesinski
Marcantonio
Mason
Morris

O'Konski
Rankin
Reed, N. Y.
Sadowski
Schwabe, Mo.
Smith, Ohio

NOT VOTING—80

Abbitt
Anderson, Calif.
Andrews, N. Y.
B'and
Buckley
Byrne, N. Y.
Chipperfield
Clark
Clippinger
Coffin
Combs
Corbett
Coudert
Dawson, Ill.
Dorn
Durham
Elliott
Engel, Mich.
Fernandez
Fisher
Gallagher
Gathings
Gore
Gwynne, Iowa
Hale
Hall,
Edwin Arthur Mundt

Hartley
Heffernan
Hinshaw
Holfield
Jenkins, Pa.
Johnson, Ill.
Johnson, Ind.
Johnson, Okla.
Johnson, Tex.
Kearney
Kee
Kefauver
Kennedy
Keogh
King
Knutson
Lane
Ludlow
Lusk
McCormack
Madden
Meade, Md.
Miller, Calif.
Monroney
Morrison

Owens
Patterson
Phillips, Calif.
Ploeser
Plumley
Potts
Powell
Rich
Rivers
Robertson
Scoblick
Sheppard
Short
Sikes
Simpson, Ill.
Smith, Kans.
Smith, Maine
Smith, Wis.
Stigler
Taylor
Thomas, N. J.
Thompson
Twyman
West
Whitaker
Whittington
Youngblood

So the resolution was agreed to.

The Clerk announced the following pairs:

Additional general pairs:

Mrs. Smith of Maine with Mr. McCormack.
Mr. Edwin Arthur Hall with Mr. Keogh.
Mr. Hinshaw with Mr. King.
Mr. Thomas of New Jersey with Mr. Miller of California.
Mr. Youngblood with Mrs. Lusk.
Mr. Coudert with Mr. Kennedy.
Mr. Corbett with Mr. Kefauver.
Mr. Chipperfield with Mr. Lane.
Mr. Kearney with Mr. Sikes.
Mr. Jenkins of Pennsylvania with Mr. Sheppard.
Mr. Patterson with Mr. Holfield.
Mr. Ploeser with Mr. Buckley.
Mr. Plumley with Mr. Byrne of New York.
Mr. Rich with Mr. Madden.
Mr. Taylor with Mr. Monroney.
Mr. Anderson of California with Mr. Whitaker.
Mr. Coffin with Mr. Heffernan.
Mr. Hale with Mr. Morrison.
Mr. Mundt with Mr. Gathings.
Mr. Smith of Kansas with Mr. Hedrick.
Mr. Short with Mr. Stigler.
Mr. Twyman with Mr. Rogers.
Mr. Owens with Mr. Fernandez.
Mr. Simpson of Illinois with Mr. Durham.
Mr. Andrews of New York with Mr. Gore.

The result of the vote was announced as above recorded.

The doors were opened.

EMERGENCY DISPLACED PERSONS
ADMISSION BILL

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 637, Rept. No. 2199), which was referred to the

House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 6396) to authorize for a limited period of time the admission of displaced persons into the United States for permanent residence, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill H. R. 6396, it shall be in order in the House to take from the Speaker's table the bill S. 2242, and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H. R. 6396 as passed.

STABILIZATION OF AGRICULTURAL PRICES

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 638, Rept. No. 2200), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6248) to authorize the Secretary of Agriculture to stabilize prices of agricultural commodities; to amend section 22 of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937; and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

EXTENSION OF REMARKS

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include a letter.

FOREIGN-AID APPROPRIATION BILL, 1949

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6801, with Mr. COLE of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 22 minutes.

Mr. Chairman, the Appropriations Committee has held long and arduous hearings on the foreign aid bill. We have had the Federal agencies and departments concerned with the program appear before us. We have listened with unrewarded patience to the advocates of this program and to our dismay they failed to produce anything of substance. In other words, the architects of this world-wide relief program have no definite plan and no definite program. There is no Marshall plan. It is merely a conversational term and we find those who are most vociferous in its support are those who know least about it.

The budget estimates presented to the committee were not the result of facts and reliable information compiled by intelligent men. They appeared to be the result of a series of after-dinner conversations in which administration economists and planners let their imaginations run riot.

The question presented to us today is this, Do the people of the United States want to support a Government based on honesty, sincerity, and factual presentations or do they want to support a Government based on hearsay with figures and projects pulled out of a hat? The architects of the foreign aid bill are the same boys who dreamed up a score or more of disastrous governmental experiments in the past 15 years. They apparently have a complete disregard for the welfare of this country.

We believe it is necessary to aid in the recovery and rehabilitation of war-torn nations. We are willing to supply them with necessities, but we are not willing to finance a lot of nebulous projects just for the sake of spending money. Based on our extensive hearings, we believe this appropriation, if properly administered, will be ample to take care of all essential items.

We cannot remind ourselves too often of the astronomical sums this Nation has spent directly and indirectly for foreign relief. Since the cessation of hostilities the United States has rendered foreign aid through grants and credits in excess of \$18,000,000,000.

We now have before us the foreign-aid bill of 1949, which carries appropriations totaling \$5,980,000,000. This is the largest single peacetime relief measure in our history. It is world-wide in scope. It proposes relief and assistance in one form or another to 21 nations—some of which were practically untouched by the war. In the final analysis, the American taxpayer will foot the bill.

The supporters of this vast foreign aid and rehabilitation project can be divided, roughly, into three categories: First, those level-headed, solid citizens who sincerely believe that we have a moral obligation to help reestablish war-stricken nations so that they, in turn, can do their part in stemming the tide of world communism; second, those who are inveterate "do-gooders" and support any missionary project that comes down

the pike. They will reconvert and reconstruct, whether the relievee likes it or not. With them, it is an obsession; third, the parasites and opportunists who live off the distress of others. In this last category we have not only individual ghouls but some business enterprises and so-called charitable organizations who are out to get their "cut," come what may.

Let me say that the great majority of individual Americans fall into the first category. On the other hand, the organized minorities—those who have access to powerful promotion and publicity media—are heavily concentrated in the second and third groups. More than once in the past decade have these traders in special privileges deceived a Congress into believing they voice the sentiments of a majority of the American public. Let me warn you against their smooth representations.

The administration's budget estimates on the foreign-aid bill totaled \$6,533,000,000; the appropriation recommended by the House Appropriations Committee is \$5,980,000,000. The direct reductions are as follows:

Economic Cooperation Administration, \$245,000,000.

Trieste, \$20,000,000.

China, \$63,000,000.

Greece and Turkey, \$75,000,000.

GARIOA, \$150,000,000.

The appropriations for ECA and for China are recommended on a 15-month basis. The assistance for Trieste is covered into ECA and authority was carried for Japan, Korea, and the Ryukyus to be taken care of by ECA if sufficient funds are available.

There was some consternation among the advocates of blank check appropriations for this international aid because the House hearings were long and detailed. We took testimony from April 20 through May 21. I realize that it was embarrassing to the administration to have us reveal the complete lack of substantiating evidence on the proposed needs and requirements of the participating countries. To be sure, the hearings are full of figures and statistics, but take my advice and spare yourselves the torture of wading through them because they change every few pages. No two witnesses could agree on any one item, and the discrepancies in data supplied by the various Federal agencies resolved themselves into a tug-of-war as to which agency or department could "out-give" the other.

Let me high-light a few of the pertinent facts which inspired the reduction in funds:

First. It was proposed that ECA carry funds to take care of the balance of exchange between the participating countries and the United States. In making up their deficit balance, it included \$288,000,000 which the ECA nations could spend out of other funds to pay their debts to the United States. Thus, it proposed that we, indirectly, pay their debts for them. This is neither a normal nor a healthy economic procedure.

Second. The grain crop for the participating countries is estimated by ECA consultants at practically the prewar figures. On the whole, the crops are so sub-

stantial that large relief supplies should not be required. For instance, France is expected to have 299,900,000 bushels—almost 300,000,000 bushels of grain with which to feed 42,000,000 persons.

This year our consumption for a population of 145,000,000 persons is estimated by the Department of Agriculture to be 560,000,000 bushels, or 3.9 bushels per head. Thus, the French have 7 bushels per person against our 4, yet ECA scheduled France to receive 60,000,000 bushels of wheat.

Western Germany is expected to produce 164,000,000 bushels of grain as against a 115,000,000-bushel crop last year. This would provide them with nearly as much consumption of wheat per capita as we have.

Italy is expected to produce 269,000,000 bushels, considerably more than last year, and enough to provide 4.9 bushels per capita.

Third. ECA proposes to furnish participating nations agricultural implements costing eighty-one and a half million dollars. This includes 26,100 hard-to-get tractors which American farmers have been begging for. Making that many tractors available overseas at this time poses some pertinent questions which were unsatisfactorily answered during the hearings. Foreign utilization of farm machinery, the availability of gasoline and parts, mechanical knowledge, are a few of the factors involved.

Fourth. Cotton cloth is scheduled for ECA totaling \$72,600,000 and raw cotton to the tune of \$511,000,000. Cotton manufacturing in recipient nations should be encouraged as an indirect aid to the American consumer who is still trying to purchase a house dress, shirts, and curtains at a reasonable price.

Fifth. Petroleum products are included in the program at a rate of \$379,000,000. There is no secret about domestic shortages of this item, yet ECA planners seemed only vaguely aware of it.

Sixth. Coal is listed at a cost of \$245,000,000 with about one-third of the supply coming from the United States.

Seventh. Tobacco is in the picture at a rate of \$120,000,000.

Eighth. Timber is to be furnished at a rate of \$142,000,000. We have been hearing a great deal about the housing shortage, lack of building materials, and scarce timber products. The next time a veteran tells you that he cannot get the ingredients that go into the building of a moderate-priced home, think of ECA and try to explain it to him.

Ninth. Hide, skins, and leather are to be shipped overseas at a rate of \$89,000,000. Here is another item in short supply at home, with prices at peak levels.

Tenth. ECA proposes \$114,000,000 for relief in Ireland, \$295,000,000 for Belgium, \$130,000,000 for Denmark, and \$10,000,000 for Iceland, at a time when any one or all of these nations could go to a bank and secure a loan, if necessary.

If any more illustrations of the grandiose conception of this program are needed, I refer you to the charts available in the hearings. It is the same story all along the line.

The committee has reduced the amount for China to \$400,000,000 and

has provided that this shall be thoroughly supervised by persons who will see to it that China secures necessary assistance, and that it shall be utilized in such a manner as to help restore some semblance of order in that chaotic country.

I understand that Mr. Paul Hoffman, upon learning of the Appropriation Committee recommendation, remarked, "The less money we have, the less recovery we can get." In view of the foregoing evidence that seems to me to be an ill-advised statement. The \$64 question is, Just where does the administration draw the line on foreign aid? Is the American taxpayer expected to finance a new world-wide design for living? Congress voted for a measure that would protect our national interests and foreign policy and help restore conditions abroad which would produce stable international economic relationship. The ECA planners have gone far beyond the intent of Congress, in my estimation. I am satisfied that with proper housekeeping ECA can get along for 15 months on the \$4,000,000,000 which have been recommended and with that sum provide necessary relief and proper rehabilitation. Mr. Hoffman may have to cut out the furnishing of soft drinks, magazines, and picture books to Europe, but I have a hunch they will manage to get along without these items.

I want to take a few minutes to call your attention to a matter which I fear will resolve itself to a major stumbling block in this entire program. Perhaps if we air it out now, we may save ourselves much grief later on.

When the United States went into Germany as an occupying power the Army established a program known as government and relief in occupied areas. We call it GARIOA. This set-up was staffed with the apostles of the vicious Morgenthau plan, designed primarily to prevent the reestablishment of German economy and aimed to reduce Germany to the status of a goat pasture. GARIOA is riddled with vindictive hatreds quite foreign to American nature. When I was in Germany last fall there were upward of 700,000 persons scheduled for trial on the charge of being Nazis. Some of the cases were absurd and far fetched. A merchant, for instance, who ran a grocery store and paid taxes to the Nazis and who very likely was forced to pay a money tribute to the party, yet may not have engaged in party activities, was hauled off to await trial for being a Nazi. Protests from Congressmen who made investigation into this situation resulted in the reduction of this so-called criminal horde to about 200,000. Even this was a fantastic number, and after some more screening and inquiry the group was reduced to between 25,000 to 50,000. It is my hope that this procedure will soon end.

The Morgenthau boys engage in their own peculiar type of sadism. They have blocked every attempt to bring about German rehabilitation and recovery. Their revenge has cost the American taxpayer billions of dollars and it has made a mockery of our efforts to sell democracy. A direct result of this policy is the present German industrial production which stands at only 37 percent of

prewar level. France is over 100 percent. United Kingdom stands at 116 percent. Ireland at 118 percent. Italy runs about 85 percent prewar. The Netherlands stand at nearly 100 percent and Belgium at 112 percent. Our misguided policy in Germany costs \$700,000,000 for relief through GARIOA and \$549,000,000 through ECA which totals \$12,000,000,000,000 for relief in Germany alone.

GARIOA and ECA personnel will be working closely together in the occupied areas. There is bound to be some interchange of personnel and I maintain that the ability, sincerity and forthright Americanism of the persons assigned to these jobs should be of primary concern to every Member of the House and every citizen of the United States.

I have repeatedly questioned Mr. Hoffman and his assistants with regard to their choice of staff. I have been repeatedly assured that the very best talent in the Nation will be solicited. We shall see. In the next day or so, I will have ready a statement on the type of persons it appears that we will have to cope with in the European relief program. They will bear watching.

As a result of ECA we will be building up our agricultural production way beyond our domestic consumption. This program will also be responsible for expanding our industrial production considerably beyond our domestic needs. What comes after this mammoth relief program?

If we keep the present incompetent planners in the saddle, they will dream up a subsequent program whereby we will have to tax our people to pay a subsidy to business and agriculture to reduce production.

Let us pause on this monetary merry-go-round for a moment and consider the folks back home. Give them a break and move cautiously on ECA. Let us be generous when needed but let us not be foolhardy.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman referred to relief and the report refers as follows:

The purpose of this was twofold: To direct grants, to help feed, clothe, and house hungry and impoverished people.

Now, can the gentleman tell us whether or not any of this food or material that we are giving as aid will be given directly to feed and care for hungry people in these countries or do these hungry people have to pay for the stuff they get?

Mr. TABER. I understand it is turned over in such a way that most of these people pay for it in the currency of their own land.

Mr. AUGUST H. ANDRESEN. The same as they did in the interim-aid program?

Mr. TABER. I understand so.

Mr. AUGUST H. ANDRESEN. Which means 99 percent of the people in the low-income groups will never get a bit of this assistance we are giving to them.

Mr. TABER. I do not know about that.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman indicates that he thinks the de-Nazification program in our zone in Germany has retarded progress in that zone.

Mr. TABER. Yes.

Mr. COOLEY. Is that correct?

Mr. TABER. Yes.

Mr. COOLEY. In other words, the gentleman thinks that we have carried the de-Nazification program too far?

Mr. TABER. I think so, and down too deep.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CANNON. Mr. Chairman, it is to be much regretted that the House is called upon to consider this bill. It is especially to be regretted that the American people are called upon to provide this enormous sum of money for expenditure abroad.

Let us labor under no misapprehension. While every effort will be made to salvage as much of this money as possible by putting it in the form of loans, with such security as is available, we must face the fact that the great proportion of it is to be disbursed in grants and gratuities. We may as well understand now that there is little prospect that any considerable amount of it will ever be paid back.

But, Mr. Chairman, we are in the same position that we were in in 1941, when war came from the clouds, without premonition; we had no choice; we had no alternative; and we poured into the devouring crucible of war, without stint, billions of dollars that could have been so advantageously spent in the processes of peace, in eliminating disease, in banishing poverty, in establishing foundations for education and retirement and building great national facilities which would contribute for all time to come to the happiness and welfare of our people in this and future generations.

Then, as now, we had no choice.

As in 1942 we appropriated, through no choice of our own, billions of dollars in a desperate struggle for survival, we are now called on to appropriate billions of dollars to avoid a war of extermination.

Some have the impression that this is a relief measure. Quite the contrary. Relief is only incidental. We are not spending this money from any altruistic sentiment of charity or philanthropy. It is a cold, hard-headed business proposition of self-preservation.

The real issue here is not the number of bushels of wheat or tons of coal or the amount of wool or tobacco involved. The proposition before us today, when expressed in the bluntest terms, is to avoid another war.

There is no assurance that it will have the effect desired. There is no certainty that it will ward off a third world war. But it is the only alternative; the only recourse which promises success. We either provide money to rehabilitate western Europe and reestablish their industries and put them on their feet and make them once more self-sustaining and strong enough to reject communism and repulse Russia—or we start an all-

out race of armaments in which we will eventually sink a thousand times the amounts involved in this program—and a race which can only culminate in a holocaust of war the like of which the world has never seen nor dreamed.

We must take one of two roads. We can pass this bill—with an amount sufficient to carry out this program—or we can turn our country into an armed camp, drill our young men, regiment our economy and eventually fight the war for which both Russia and the United States are preparing feverishly and at a rapidly increasing tempo.

Either we rehabilitate our allies, reestablish their industries, and support the anticommunistic governments in the capitals of western Europe or we prepare for eventual war.

I do not need to tell anyone here what another war means. With our high national debt, and with the enormous burden of our present armament program, another war will have two effects: It will completely destroy our present system of individual enterprise on the one hand, and on the other hand it will decimate our people and reduce our major cities to rubble.

When you drive through the streets of Berlin, Frankfurt, and Essen and view the utter destruction of what were once the most beautiful and the most opulent cities in the world; when you traverse the site of Hiroshima and Nagasaki and see what one blast has accomplished in those terrible areas, you have but the faintest idea of what is in store for cities and peoples in future wars.

We are now told that the bomb used on Hiroshima is today as out of date as a model T Ford, and that the new engines of destruction, the improved methods of mass eradication, not only atomic warfare but bacterial warfare, are such that only an inconsiderable part of the urban populations of nations engaged in future wars will escape. The Secretary of the World Organization for Health of the United Nations estimates that in the event of another war 90 percent—it seems to me that is an exorbitant number, but I am just giving you his views of it, and he is in a position to know as much as anybody knows about it—90 percent of the people of all the nations involved would be destroyed, and only 10 percent would be left.

Let us turn it around and put it the other way. Suppose that 90 percent were left and only 10 percent destroyed. To save even that menace to 10 percent of our people, not to mention our cities, we can afford to spend the amount cut from this bill and consider it a bargain. Some may be inclined to question the possibility, but Himmler assured Germany that no hostile bomb would ever fall within the borders of the Fatherland. In view of the fact that Russia has more effective planes than we have and is building planes faster than we are, some of our statesmen may be as sadly mistaken as Himmler.

This program is costly. It comes high. But if we are to adopt measures to avoid another war, if we are to have any assurance of avoiding another Pearl Harbor, if we are to insure our cities against

a destruction worse than Hiroshima and Berlin, this is our only present practical plan. It is this or preparation for war. What else have we to offer?

In the past week in both the House and the Senate, bills providing unprecedented peacetime appropriations for the Army and Navy have been passed. Never before in the history of this country, or any other country, have such enormous peacetime provisions been made for war.

Last week the Munitions Board alerted throughout the Nation every industrial plant capable of producing war material. They were admonished to stand by and be ready for overnight conversion. Programs were distributed to every manufacturing establishment susceptible of being converted on short notice to the production of war material. What does that mean?

But here, embodied in this bill, is a chance to avoid war. And there is every prospect that it may prove effective. Already the Marshall plan is having a determining effect. Only last summer, there were times when it was thought impossible to save Italy from communism. There was apprehension that the anticommunistic government could not be sustained.

There was a time when the anticommunistic ministry in France wavered in the balance. Even in staid old England there was growing apprehension.

But with the enactment of the Marshall plan by the United States Congress the situation changed. Communism was defeated in the Italian election by an overwhelming majority. A stable government has been established in Greece. The anticommunistic administration has been strengthened in France. Throughout western Europe hope is restored and recovery is progressing at an encouraging rate.

But this bill proposes to cut the estimates more than a billion dollars. The cut is without justification. Not a single witness who appeared before the committee recommended a reduction. No evidence was adduced which warranted any such reduction. Every agency of Government examined testified that the estimate called for the minimum; that any reduction would be disastrous.

If there is any doubt as to the appropriation that doubt may be resolved in favor of the full estimate, with the assurance that Mr. Hoffman will be in charge of its expenditure and administration and may be relied upon to conserve all funds under his direction and to spend only what is necessary to make the recovery plan effective. Mr. Hoffman impressed every member of the committee as a competent, experienced businessman of the greatest sincerity and integrity. No better qualified man could possibly be secured for the exacting requirements of his office, and if by any inconceivable chance he should fail to do his duty or prove neglectful of the trust imposed upon him the joint committee, the watchdog committee, of which the chairman of the Committee on Appropriations is himself a member, will have constant opportunity for observation and recommendation and is in

a position to forestall any mistake or right any error.

Public sentiment approves the Marshall plan and the appropriation of the full amount recommended by the estimate. Editorial comment from the Nation's newspapers reaching Washington this morning is unanimous in criticism of the Committee on Appropriations for the proposed cut.

Here is what the New York Times says this morning:

Today it is the chief hope of democratic forces everywhere to hold their own against the onslaught of the new totalitarian power to the east, yet today this whole program is endangered because of the action of the House Appropriations Committee in slashing the funds already authorized by the Congress to a point which must dim the hopes and slacken the energies it has aroused.

Here is the considered opinion of a newspaper ranking as one of the greatest newspapers of the world.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from North Carolina.

Mr. COOLEY. What does the gentleman think the Soviet press is saying throughout the world with regard to the action of this committee?

Mr. CANNON. The action of this committee in cutting this estimate meets with the wholehearted approval of the Soviet press. You will think, when you review the Soviet press, that the committee of this House was an agency of the U. S. S. R.

Mr. KEEFE. Mr. Chairman, will the gentleman yield at that point?

Mr. CANNON. Not at this time.

Mr. KEEFE. The gentleman has made a very serious charge in the RECORD.

Mr. Chairman, I demand that the gentleman's words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

By Mr. CANNON: You will think when you review the Soviet press that the committee of this House was an agency of the U. S. S. R.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

By Mr. CANNON: You will think when you review the Soviet press that the committee of this House was an agency of the U. S. S. R.

The SPEAKER. The Chair is of the opinion that the words used indicate criticism of the House but do not reflect upon the integrity of any Member of the House; therefore the Chair does

not believe the words used are unparliamentary.

The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6801, with Mr. COLE of New York in the chair.

Mr. CANNON. Mr. Chairman, the warm approval, by the Soviet press, of the action of the Committee on Appropriations in cutting the estimates for the implementation of the Marshall plan is reflected in a flash just received over the ticker. It says: "Recommended cut ERP appropriations featured jubilantly on front pages Communist and Soviet newspapers."

And again: "This Washington news item comes like a sledge-hammer blow for the 16 governments who staked all their hopes on Marshall plan."

Here is a further quotation from the editorial page of this morning's New York Times, which is particularly apropos:

This slash amounts to nothing less than a betrayal of American commitments already made and a repudiation of the will of Congress itself, as expressed in previous authorizations.

Here is an excerpt from an editorial in this morning's New York Herald Tribune:

And the House, in particular, must rebuke the ill-advised efforts of its Appropriations Committee to whittle down the appropriations for the European recovery program and other foreign-aid plans.

There has been no editorial comment to the contrary by any paper that has yet reached Washington.

It is not merely that the authorizations approved by Congress for those purposes were minimum sums for the tasks involved and that reduction may well mean failure.

That is true, because we were told that this was the smallest amount for which the job could be done. Now they are cutting the minimum one-third to one-fourth.

Nor is the Appropriations Committee action bad only because it attempts to alter by indirection policy decisions that were made after full and free debate, and, therefore, constitutes a blow to the reputation of the American Congress.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I yield myself five additional minutes.

According to this paper the reputation of the American Congress, for fair play, for good faith, is at stake.

The foreign aid programs are the positive portion of American policy and, as events in Italy and other portions of western Europe during the last few months have demonstrated, a most effective means of enabling national communities to regain their economic health and check or throw off Communist infections.

Already it is working. It is pushing war further into the background. It is contributing to both American and world prosperity.

They are just as essential to this country's security as armaments.

And at this time they are more important because they may make it possible to avoid the necessity of providing for armaments.

And the House cannot vitiate the effect of its prompt action on defense by cheese-paring in this parallel field.

Another indisputable evidence of the attitude of the American people on this very vital measure: Only a little while ago the likelihood of the nomination of Mr. VANDENBERG for the Presidency of the United States at Philadelphia was considered exceedingly remote. There were a dozen candidates ahead of him. But, as a result of his leadership in the Senate in sponsoring this legislation and securing its enactment, he is today the top man in all editorial lists of those who aspire to the nomination. What has given him that preeminence? His statesmanship, his constructive management of this vital legislation has given him the first place of all Republican contenders in the hearts of the American people. And if through any unforeseen misfortune we should happen to have a Republican President, it is my considered opinion that he would make the greatest President his party could provide.

On the other hand, let us consider who is against this bill. Mr. Wallace is against it. He has opposed it on all occasions. Are you going along with Mr. VANDENBERG or Mr. Wallace?

There is another gentleman who does not like it. That is Mr. Stalin. When the Marshall plan was proposed he came out from under cover for the first time and issued open orders in every capital in Europe that the Communists were to oppose the Marshall plan and everything pertaining to it. There you have the issue well defined. You can go with Senator VANDENBERG or you can trail along with Mr. Wallace and Mr. Stalin.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks.)

Mr. WIGGLESWORTH. Mr. Chairman, this is one of the most far reaching appropriation bills ever considered by the Congress or any other parliamentary body.

It carries with it a total of some \$6,000,000,000. It provides for financial aid to some 24 different nations.

It makes available for ECA \$4,000,000,000, in addition to \$55,000,000 already provided in a previous deficiency bill, and in addition to \$1,000,000,000 already provided on a public-debt basis through the Export-Import Bank; in other words, a total of \$5,055,000,000.

It contemplates \$20,000,000 for the free territory of Trieste.

It provides \$200,000,000 in addition to unexpended balances for Greece and Turkey.

It provides \$400,000,000 for China.

It provides \$1,250,000,000 for government and relief in the occupied areas.

It provides \$60,000,000 for the International Children's Emergency Fund, and \$70,000,000 for the International Refugee Organization.

Much of the world is involved in this appropriation bill.

Most of the program which the bill is designed to implement is in my judgment of the greatest importance to America if only from the standpoint of national self-interest. It is designed, as we all know, to aid nations in western Europe to get upon their feet again. It is designed to check the spread of communism throughout the world.

In my judgment, it has already contributed very hopeful results in both respects.

Most of the items provided for in this bill are, in my opinion, adequately covered in the report. I am going to limit what I have to say at this time to a few brief comments on the appropriation for ECA.

Mr. Chairman, I repeat as far as my own personal point of view is concerned, that I am one of those who has favored a recovery program for Europe from the outset. My views were strengthened in this respect by a visit which I made last autumn to nine European countries, many of which I had known well in days gone by when I worked for some 4 years in Germany and in France.

During the trip I saw in country after country on the one hand the economic and financial problems growing out of the war, and on the other hand the threat of communism, either within the borders of the country, or just outside those borders.

I saw what to me was a vicious circle, threatening to encircle some 260,000,000 people with an enormous productive capacity, people who largely think and feel as we do, people, many of whom stood shoulder to shoulder with us in World War I or in World War II.

I returned with the conviction that the recovery program gamble must be taken and that it must be taken in our own national self-interest. I have not changed my mind in that respect.

But, Mr. Chairman, when it comes to the question of how much is necessary to implement a proper recovery program and how much we can afford to spend in fairness to ourselves and in fairness to the rest of the world, there is presented an entirely separate question.

That is the question which members of your Committee on Appropriations for months past and in particular during the last 6 weeks have been striving to answer. That is the question which is before the House as a whole on this occasion. And I want to say, Mr. Chairman, that if any of you had sat through the last 6 weeks of hearings before the Committee on Appropriations I believe you would be amazed in the light of all the thought that has been put on this tremendously important question, how little specific information is available.

I am frank to state that my own conclusion as a result of the hearings is that there is no one in the Government who can predict with any accuracy the amount that will be necessary in the period under consideration to do the job that the Congress has determined shall be done within a matter of a billion dollars. It is a matter of guesswork with very few definite facts to work with.

Mr. Chairman, I have here an over-all break-down presented to us by the Department of State reflecting the computation of needs as presented for consideration to your committee.

In column 1 there is a long list of items purporting to show the needs of the 17 participating nations in Europe.

Your committee has considered those figures with great care. I submit, reflecting as they do the deficit in the balance of payments with the Western Hemisphere, that they are subject to very wide variation. Already we are beginning to hear of the extent to which crops and other conditions in the nations to be aided have improved since these estimates were determined.

In column 2 is another set of figures entitled "Dollar Earnings." These figures total \$4,468,000,000. They are supposed to represent earnings which the recipient nations can be expected to obtain through their own foreign trade, and the total is deducted from the total in column 1, reflecting estimated needs of those nations.

Your committee has also considered these figures with great care. Again, I submit that no one can predict with any accuracy what these figures will actually prove to be in the light of the recovery now being realized in Europe.

In column 3 you will find a third set of figures aggregating \$1,315,000,000, entitled, "Loans and Credits." These loans and credits are also an estimate of what can be obtained aside from ECA from Western Hemisphere countries, from the World Bank, from the Export-Import Bank, and from private financing. The total is also deducted from the estimated needs of the 17 countries.

These figures have also been carefully considered by your committee. They are also a guess. They are very much on the conservative side, in my judgment. I may note in passing that the Herter committee, or its chairman, in appearing before the House Committee on Foreign Affairs, indicated that in their judgment there was an underestimate here to the extent of some \$900,000,000.

Over and above this is the all-important question of availability. Here again we have been presented with detailed figures showing production, imports, and contemplated exports for commodity after commodity. The representatives of the Administration made a real effort to present the committee with information along this line which they had been unable to present heretofore.

Here again, however, it is impossible, in my judgment, to predict with any accuracy. It is largely a day-to-day job for the ECA Administrator and for the Department of Commerce.

A change in the price level could alter the entire picture.

We have been given a break-down by country, showing the tentative allocations that might be made to each of the 17 countries.

We have been given a break-down by commodity, showing the tentative allocations that might be made in terms of each of some 50 commodities.

Again, Mr. Chairman, all of these figures are tentative and subject to change at almost any time.

All that anyone can do is to make the best possible estimate he can in the light of all the evidence.

Your committee has spent 6 weeks in hearings. It has given the details presented painstaking consideration. The testimony is embodied in two volumes of hearings, some 1,500 pages in length.

Your committee's best estimate after 6 weeks of hearings, after careful consideration of all the facts presented by the administration, is to the effect that, barring unexpected developments, if the funds are wisely spent, if they are properly screened, if they are properly supervised, it will be very difficult to spend in a period of 15 months the \$4,000,000,000 carried in this bill, the \$55,000,000 already provided in another appropriation bill, and the \$1,000,000,000 already provided in terms of national-debt transactions, a total of \$5,055,000,000.

Your committee's best estimate after 6 weeks of hearings, after careful consideration of all the facts presented to the Administrator, is to the effect, in view of the fact that ECA has only allocated some \$208,000,000 in the first 2 months of its existence, in view of the improved conditions abroad, in view of the possibility of greater loans and credits from the Western Hemisphere, and in view of the excess commodities programmed in a number of instances, that barring unexpected developments, there will be ample funds to ECA requirements on the basis which has been provided.

The committee has made available substantially all the funds requested but on the basis of 15 months instead of 12 months. It has taken this action, knowing that the new Congress will be in session within about 6 months from the date of adjournment. It has done so knowing that if the estimate of the committee at this time should prove to be wrong, the matter can be dealt with by a supplemental appropriation at that time, without the slightest injury to the recovery program.

Mr. Chairman, this is a common practice in handling appropriations. It makes available all funds essential between now and the reconvening of the new Congress. It permits a supplemental appropriation at that time if necessary in the light of actual experience.

There is nothing unusual in the procedure. There is no attempt to "wreck the plan." The remarks of the gentleman from Missouri [Mr. CANNON] and the press comments referred to simply make "much ado about nothing," and tend to create a most unfortunate impression abroad which is completely unwarranted by the facts.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself five additional minutes.

The committee's proposal is a perfectly normal operation in terms of appropriations. There is no attempt to sabotage or wreck the recovery program. The

hope of America is that the plan will succeed.

Mr. Chairman, I want to make two more brief observations in concluding these remarks.

First, the success of the program in my opinion is largely dependent on the restoration, subject to proper controls, of the productive capacity of western Germany. A recent report from the Economic and Social Council of the United Nations shows for the third quarter of 1947 that Germany's productive capacity was only 37 percent of that in 1936, while the productive capacity of England, Belgium, France, the Netherlands, and Scandinavia approached or surpassed prewar figures.

Germany has a potential productive capacity which is essential to western European recovery. It should be stimulated, it should be utilized. Its importance, in my judgment, cannot be overemphasized.

It is to be hoped that with the cooperation of all concerned, ECA will result in producing within Germany sufficient food to assure manpower, a sound currency to assure incentive, and a real restoration of productive capacity, subject to proper controls, sufficient to permit Germany to contribute not only to its own needs but to those of western Europe and at the same time to relieve the United States of America of the tremendous burden which we are now assuming.

Finally, Mr. Chairman, may I repeat that in my opinion the success of the program is primarily dependent on its administration.

Proper administration is of paramount importance. Improper administration could have tragic consequences for America. Impairment of our own economy would be a disaster not only for America but for the world as a whole.

Mr. Hoffman and his associates, with the power to negotiate and the power to terminate; the Department of Commerce with the last word in the field of export licenses, have a tremendous responsibility to America and to the world.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, there are many uneventful days in the House; frequently the visitor in the gallery of the House observes nothing of special importance to the Nation and to the world. But today the situation is different. We have before us a piece of legislation which will have repercussions around the world.

The gentleman from Massachusetts [Mr. WIGGLESWORTH], who has addressed us, a very able Member of this House, was formerly an athlete. He knows just how important it is in any sort of race or contest to get off to a good start. There is much at stake in this program and it is most important that we get off to a good start. If the horse stumbles and falters just as he begins to run, the chances are he will not be in the money.

The United States of America today is playing for big stakes. Great things are in the balance. We cannot afford to lose. We must win. But here in the

very beginning of this program we have cut off the top one-fifth of the appropriations, approximately \$1,000,000,000 out of the five billion three hundred million which was authorized. That has been done in a very few simple words by making the program a 15-month program instead of a 12-month program as was finally agreed upon in the authorizing legislation after much controversy in the House and Senate.

So, we have cut off one-fifth. If you reduce by one-fifth this appropriation you cannot get off to a good start. You are crippled to begin with. You can keep the program alive, but you will not secure maximum results from the program and maximum results is our aim.

There are some of us who in our youth and in more recent days have been familiar with agriculture. Coming from the great plains of the mighty West I know something about agriculture in that area where the rains do not fall as frequently as we would like. There are times when we have just enough rain to keep the crop alive. It stands there, but it does not produce fruit. We do not have an adequate harvest. We merely keep the crop alive. What we want this program to do is to produce fruit.

Now, to be completely practical about the matter, about half of this program is just for relief as such, shall we say. It is for food and for fuel. It is for grain coming from our great wheat farms of the Dakotas, Kansas, Nebraska, and elsewhere, and from the corn fields of Iowa and elsewhere. But, there is no need for the Congress to pour money down the drain, so to speak. I came to the support of this program with considerable reluctance, on the ground that it was not a relief program but a recovery program, and if you cut out the upper one-fifth you make it rather a relief program and you detract from it as a recovery program. What I voted for when I voted for the authorization legislation was for a recovery program, and this pending bill, I am afraid, does not get the job done.

I can understand that men have differences of opinion about this foreign-aid program. It is easy for honest men to differ. But, the fact is that the Congress has now approved the program and had I voted against the program in its original authorization I would now feel that there was nothing else to do after my country had started and committed itself to the program other than to go along with it and try to make it a success. It is going to be difficult to make it succeed as we would have it succeed, but if we get off to a good start the chances of success are much greater, and therefore I shall support wholeheartedly the amendment which will be offered to restore the reductions which have been made. I do not want anybody to point his finger at me in the future and say, "if this program fails, yes, the program failed; you authorized it; you told the world what you were going to do; you put your hand to the plow but you turned back before you got started." Nobody is going to point an accusing finger at me and say that I did not give the program a chance. There is doubt as to whether or not the program will suc-

ceed, but I am going to give the program a chance, realizing the difficulties involved and that mistakes will no doubt be made. It is easy to criticize, but it is hard to go forward and do the job. Yet the job must be done. We have committed ourselves to this program and we must give it a chance. If the program then fails to succeed, we cannot feel that we have let down the people of America who have supported it and the people of the world who are depending upon it.

I should like to say that while this act is called the Foreign Aid Act, I have supported it upon the theory that it is not necessarily or exclusively a foreign-aid act, but that it is a program in the interest of the American people. After all, I am not a great humanitarian, I am just a down-to-earth man from the great Southwest. I want to get results out of this program, and I want the program to be of aid to the people of my own country, and I am convinced that it will be.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAHON. Mr. Chairman, I yield myself five additional minutes.

Any student of present day affairs knows that had it not been for the program of the United States of America in foreign aid, which is also American aid, the great red tide would have already swept over western Europe. There is no doubt in my mind about that. Is there any doubt in the mind of anyone as to whether or not western Europe would have already been engulfed had it not been for the strong stand of the United States of America since VJ-day? I think not. I doubt that reasonable men could differ about that situation.

How many billions of dollars would we give to prevent the Red tide from sweeping all over western Europe and engulfing 260,000,000 people? It sounds heroic to talk about standing alone with your back to the wall, but I am convinced that the United States of America, as great as it is, cannot afford the luxury of undertaking in this disturbed world to stand alone. My people and yours came from across the seas, and there is some of that blood still left abroad. There are 260,000,000 people in western Europe. If the contest ever comes between the east and the west, I think it will save many billions of dollars and many millions of American lives if the 260,000,000 people, of the same blood as our forebears across the sea, have not lost their freedom and if they believe in democracy, and if they stand firm with the United States of America.

I want to see England, France, Spain, Italy, and the other countries of western Europe grow as strong as they can in order that they may stand on their feet and stand for something in this world, and help us in this great effort to preserve the stability of the world and the freedom of mankind.

In its simplest terms, all that this program is for is to help those people help themselves in order that they may help us to chart this world on the right course. It is a tremendous challenge and it is a mighty task that we have undertaken. In that task we must have friends. This program is designed to help our friends

to help themselves, in order that they may help us and the world.

Some disparaging remarks have been made about those in the executive branch who have been working on this program. I did not know of Mr. Hoffman prior to his testimony before our committee. I do not know whether he is a Democrat or a Republican, but he appears to be a fine American citizen. He tells me that in the background of all his thinking is the welfare of the United States of America, and that in the administration of this program his every thought is for the well-being and welfare of our own country. He says: "If you do not give us this money, we will not be able to do the job that has been assigned." He pleads for the program. When he appeared before the Committee on Appropriations, he said, "We have set our goal and we would like for the committee to stand by us." Well, it was only a few days ago on April 3 that we almost unanimously passed the foreign-relief program. So why not follow through on what we said we would do? You know that a voice has come out of the Kremlin directed to the people of the western world saying, "Do not trust America. Do not be so stupid as to think America will follow a consistent foreign policy." They have told the people of western Europe that America would forsake them when Europe needed them most. No doubt in their propaganda broadcasts they are saying, "I told you so. Come link arms with Moscow." I do not think the Congress is going to reject this program, even before it has been well started. I believe the Congress is going to restore the funds originally proposed for the 12 months' program and that we are going to give it a try. Then next year when Mr. TABER, Mr. WIGGLESWORTH, Mr. ENGEL of Michigan, Mr. STEFAN, Mr. CASE of South Dakota, Mr. KEEFE, Mr. CANNON, Mr. KERR, and I hear them testify before our committee with reference to any future program we can say, "We gave you the money that you requested. Now give us an accounting. What has been the measure of your success?" I am not going to have them say, "Well, you know we got off to a bad start. We made commitments which we could not fulfill. The blame is on the doorstep of Congress."

I do not want to be maneuvered into any such position as that. Moreover, having voted to authorize this 12-month program for \$5,300,000,000, I do not propose to back up in the intervening days between April 3 and today, June 4. It does not make sense.

Another thing that the Congress can be sure of is that we are going to try to keep our hand on the pulse, so to speak, of this thing. We are going to watch the program as it operates. The gentleman from New York [Mr. TABER], the gentleman from Massachusetts [Mr. WIGGLESWORTH], and many of us as members of the so-called Herter Committee on Foreign Aid, went to Europe last year to look at the situation first-hand and learn what we could about a very confusing picture—and it is a very confusing picture. The legislation which authorizes the present appropriation wisely pro-

vides that the Congress shall appoint a watchdog committee to see to it that this program is well administered. The gentleman from New York [Mr. TABER] and the gentleman from Missouri [Mr. CANNON] are representatives from the Committee on Appropriations on the watchdog committee. They are two fine Americans who can be depended upon, along with other members of the committee, to do a good job. So realizing all the difficulties, or at least many of them, I stand pat on the proposition that we cannot do other than to carry through on what we said we proposed to do and give the program a chance.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. WIGGLESWORTH. Does the gentleman mean to intimate to the Committee that the Appropriations Committee has no responsibility whatsoever once an authorization figure has been voted?

Mr. MAHON. No. The Appropriations Committee does have a responsibility. I am sure that the Appropriations Committee should assume that responsibility, and the overwhelming majority of the members of the Appropriations Committee voted for the entire authorization. So it does not become us now to reduce that sum by one-fifth in the light of the testimony and in the face of the appeal of Mr. Hoffman, the administrator of the program. The benefits of this program will come in the upper brackets of the appropriation—in the last dollars rather than the first dollars. The first dollars are for food. The last dollars are for recovery. I am most anxious that we give the program a real chance for success, and I believe we will.

I would like to say this with emphasis: This is not a partisan program. This is not a Democratic program. This is not a Republican program. This is an American program. In this great foreign policy matter our controversies end at the water's edge, and we are working together on this proposition; and working together, I believe we can restore this bill to a place where Mr. Hoffman says he will be able to do a good job.

The CHAIRMAN. The time of the gentleman from Texas [Mr. MAHON] has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. COUDERT. The gentleman has made much of the fact that there was an authorization bill for a given sum passed on April 3. Does the gentleman completely overlook and ignore the fact that that bill was passed in response to certain specific, clear, unconditional representations made by the administration, to wit: that if you do not give us this measure we shall be compelled to ask for heavy additional appropriations for the Army and the Navy. Need I remind the gentleman that the bill had no sooner passed than all of these heavy additional requests were made and have been approved by this Congress and so presented to our Appropriations Committee, of which you are a distinguished mem-

ber, the very difficult and important question of balancing all of the great commitments, foreign and domestic, of the United States, with a view to maintaining the solvency of the United States and its people.

Mr. MAHON. I am glad the gentleman made that observation. He makes it crystal clear that the world condition has worsened since this authorization was made. The gentleman makes very clear the point that if we needed a program to help bolster up the nations of western Europe, who are traditionally our friends, we need it worse today. Moreover, need I point out that the Congress has been aware of that situation because the Congress has appropriated for national defense much larger sums than were requested even by the Executive; funds for a 70-group air program and other expansion of our national defense program.

I want to say this, during the war we spent hundreds of billions of dollars; this present program is a program designed to prevent the recurrence of that very thing. We are appropriating this session about twelve or fourteen billion dollars for national defense, but that would be a mere pittance if war should come again. It seems to me that we must gamble the \$5,300,000,000 in this program, which was authorized by the Congress, as the best insurance that anyone has recommended to date, as a supplement to our national defense program in an effort to prevent world war III.

Next week we are going to be called upon to provide an appropriation for the Veterans' Administration, which will probably run to about \$6,000,000,000. It is thus quite apparent that war is expensive in more ways than one. Now is the time to build the foundations for future peace.

This is a desperate effort, shall I say, to protect our Nation and our world and we must make the program succeed. This foreign relief American aid program, shall I say, must go hand and hand with our military program if there is to be any hope for success, and I am not one of those who thinks there is no hope of success. The American people have always met the challenge of the hour in the days gone by and the American people will meet it again. They have put their shoulder to the wheel and they are not going to falter in the heat of sun; they are going forward. While mistakes will be made and hearts will be heavy because of those mistakes I am confident that Mr. Hoffman and those who work with them have done the best job they could in a short time in outlining their undertaking. It is not a perfect program but they have done their best in the short length of time to present the problem to us. I hope and confidently expect that as the weeks go along and they gain experience in administration they are going to do a reasonably good job; at any rate, they must be given a chance to do it.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, many of the details in this bill, which is really an omnibus bill, have been well covered by previous speakers. There may, however, be some additional information that I may have to add to what has been said in order to enlighten those of you who did not have the opportunity to sit in the sessions of the deficiency committee which had this bill under consideration for many weeks. In fact, as the chairman told you a little while ago, we have been in session from the early part of April to the last part of May considering every phase of this far-reaching bill.

Many of you listening to this debate perhaps concentrate your minds upon only one phase of it, that phase which was originally known as the Marshall plan, then later the European relief program, and now the ECA or Economic Cooperation Administration. That is only part of this very important bill. You must take into consideration the fact that this bill provides an appropriation of approximately \$6,000,000,000 to which must be added a billion which will be available through the Export-Import Bank, making a total of a little over \$7,000,000,000 for various foreign relief items. Some of them were authorized a long time ago and have been implemented several times with appropriations. Among them is IRO, which has to do with the relief of people in displaced persons camps in Europe; the Children's Feeding Fund, an international organization which receives about 72 percent of its funds from us; Greek-Turkish assistance; the Japanese-Korean-Ryukus items; and a number of other items not originally in the Marshall plan. At the same time, I must remind the House that since the beginning of fiscal year 1946, or the end of the war, this country has rendered foreign assistance through grants and credits in the net amount of \$18,182,000,000. In addition, the United States has invested in the International Monetary Fund the amount of \$2,750,000,000 and has subscribed to capital stock of the International Bank in the amount of \$635,000,000. Over and above this subscription to the capital stock of the International Bank, the United States has assumed a contingent liability to purchase additional stock in the bank to the extent of \$2,540,000,000 whenever losses are incurred by the bank.

Mr. Chairman, it is easy for those who may have a personal interest in appropriation bills to criticize members of the committee who are endeavoring to develop all facts. It is also easy for those who may be subsidized by money in these appropriation bills to criticize members of the committee when they endeavor to bring these matters into the light of day. However, I am sure that the membership of the House, when it passed the bill authorizing the Marshall plan, served notice on the Appropriations Committee that it did not want this committee to close its eyes to facts and hand an uninformed and very new administrator a blank check. I am sure that the membership of the House expected this Appropriations Committee to do its duty to the American taxpayers and bring a bill back to this House with figures based

on some real justification. This is the kind of an appropriation bill we have brought to you and it should be approved because it represents more reliable information and more actual facts than this House had when the authorization bill was presented to it.

Many of the items that came to us from the Administration have changed radically since they were originally secured by those officials. Many of the countries which will participate in this relief have recovered to a great extent since the time the original figures were submitted to the original drafters of this program. I assure you that every reduction in this appropriation bill has been made only after careful consideration; after many, many days and weeks of interrogation of witnesses; and after ascertaining facts as to availability in the United States and present productivity and future productivity in the foreign countries that will participate in this program, I say to the Members of the House that the reductions that we have made were made on the basis of the best possible justifications and information secured by the members of the committee. Much of this information we had to develop ourselves.

Mr. Chairman, some criticism has been leveled against the chairman of the Appropriations Committee because he has made some reductions in this appropriation bill and because he refuses to give blank checks to administrative officials who come before the Congress for appropriations that have been authorized by law. I wish all of you could know the real service record of the distinguished gentleman from New York [Mr. TABER], chairman of the House Committee on Appropriations. This great American was elected to the Sixty-eighth Congress and reelected to every succeeding Congress, including this Eightieth Congress, by the people of the Thirty-eighth Congressional District of New York.

The people of the Thirty-eighth Congressional District of New York and the people of the United States should be congratulated on having a statesman of the caliber of JOHN TABER as their servant in the House of Representatives. Without injuring any department of government one iota, he has saved for the American taxpayers in his long length of service untold millions of dollars and at the same time brought more efficiency into many agencies of Government. I know this to be the fact, Mr. Chairman, because it has been my privilege to personally observe the work of this public servant. It has been a privilege for me to be a member of the committee of which he is the chairman.

I wonder if Members of the House and if the people of our country realize that in the 22 or 23 years the gentleman from New York [Mr. TABER] has been a Member of the House of Representatives he has had much to do in steering and helping to appropriate the money which won the First World War; which made possible the atomic bomb and the winning of the Second World War. If the history of JOHN TABER's service in the House of Representatives was written on a blackboard and the appropriation fig-

ures put on one side and his contribution on legislation on another, I am sure that his critics, who are so vehement today in denouncing what they call "Taberism" would really admit that the total on the John Taber "blackboard of service" spells that "Taberism" is in reality honest-to-goodness, American common sense and honest-to-goodness Americanism.

Members of the Committee, this bill is so far-reaching that it is going to reach into the pocketbooks of every man, woman, and child in the United States. While you are sitting here debating this bill the speculators of the world have their fingers on the pulse of what is going to happen to prices because of this bill. They have anticipated what this bill is going to contain and they know today almost to the dollar how many hundreds of millions of dollars they may get a chance to make. In every hotel in Washington today you will find crowds of people who are already dealing in the 30 or 40 commodities represented in this huge appropriation bill. So is there any reason, members of the Committee, that your chairman and member of the deficiency committee should not go into every item requested in order to protect the interest of the American taxpayer and in order to provide the necessary relief to feed the hungry and the needy the world over? There is no intention on the part of the members of this committee to deny our friends in the 20 or 24 countries that are going to participate in this relief program some help and some cooperation.

Very few of you have had the opportunity to know the figures that were first presented to us and on which justifications were made for these appropriations. It was because you feared, when you passed the authorization bill making ECA law the policy of our country; because you feared all these things which I am warning you about that you in your hearts believed that the Committee on Appropriations would protect you and the country and bring to you a bill which you could approve and which you could conscientiously support. When they brought before us the first figures we naturally asked them what they were going to buy. Further, what was the availability in the United States of America in the way of relief for foreign friends before we could afford to send it away? I marvel at the patience of my chairman and other members of the committee who worked every morning, noon, and night, Sundays and holidays, gathering information from the far corners of America and the world in order to be fair so we could justify the modest reductions we made in this bill. Do not forget this plan to help the world is to go on for over 4 years. Perhaps longer. Americans will have to tighten their belts and do without a lot of things if everything is being provided for which the committee is being asked to appropriate for. With the billions we have just voted for rearmament and the additional money requests for materials of all kinds there is going to be less and less for Americans and more and more for foreigners. Just where are we to desert the American and give priority

to foreigners? Your committee has endeavored to put Americanism at the head of the priority list. The reductions are not so great compared with the total figures. Already the administrator has a billion dollars and up to date has not been able to spend over \$208,000,000. So let us go slow with American taxpayers' money in this gigantic world relief program. Let us feed the hungry, clothe the cold, and help heal the sick, but let us also help them to help themselves.

They told us when they came before us that the total shipments to Europe from all sources in the first 10 months from the Western Hemisphere would be \$2,345,000,000 worth of bread grains; \$393,000,000 worth of fats and oils; \$190,000,000 worth of oil cake; \$369,000,000 worth of sugar; \$360,000,000 worth of meats; \$270,000,000 worth of dairy products; \$70,000,000 worth of eggs; \$34,000,000 worth of dried fruits; \$47,000,000 worth of rice; \$118,000,000 worth of coffee; \$299,000,000 worth of tobacco; \$790,000,000 worth of cotton; \$42,000,000 worth of fertilizer; \$158,000,000 worth of agricultural products; \$327,000,000 worth of

coal; \$599,000,000 worth of petroleum products; \$333,000,000 worth of timber; \$162,000,000 worth of finished steel; \$78,000,000 worth of crude and finished steel; \$34,000,000 worth of trucks; \$60,000,000 worth of freight cars; \$48,000,000 worth of steel equipment; \$16,000,000 worth of timber equipment; \$158,000,000 worth of copper, and \$37,000,000 worth of tin. And then it goes on, zinc, aluminum, wool, wool yarn, woolens, cotton yarn, cotton cloth, wood pulp, newsprint, rubber, hides, skins, fish, chemicals, vehicles, and many, many other things, as the old auctioneer used to say, too numerous to mention. It amounts to what? A total of \$13,565,000,000 worth of commodities from the Western Hemisphere in 15 months, of which the ECA or the American taxpayer is to pay in 15 months \$6,702,000,000, or on a 12-month basis \$5,222,000,000. This will be a great drain on our resources. The little people will have less.

When you walk up and down the streets of America and your laboring man tells you he is paying too much for his shirts, or somebody says he is paying

too much for cotton or wool hose, and when you go into the butcher shop and meat prices are too high, you may then wonder whether an appropriation committee should give a request for an appropriation the "once over" in order that the speculators of America and the speculators of the world do not take advantage of the American taxpayers' dollars which represent these huge appropriations.

There are so many things I could talk about, but I recommend to you the careful reading of the report, which in my opinion is a directive to the administrator to use these taxpayers' dollars wisely in order that needy humanity the world over can get some relief, and that the American people are not impoverished as a result of the action we take here.

Mr. Chairman, by leave granted me, I include with these remarks tables which contain figures the ECA originally proposed to us and which were part of the work sheets of your committee. They give you some idea of the original plan for the first 12- and first 15-month requirements from the Western Hemisphere:

Recapitulation by commodity imports and by other dollar payments

PROPOSED DISTRIBUTION OF ECA OBLIGATIONS FOR COMMODITY IMPORT REQUIREMENTS AND FOR OTHER DOLLAR PAYMENTS, BY PERIODS

[In millions of dollars with 1 decimal]

Commodity	Apr. 1, 1948, to June 30, 1949			ECA obligations		
	Total shipments from Western Hemisphere (18 months) ¹	Shipments financed from sources other than ECA funds		Total (col. 1 minus cols. 2 and 3)	Apr. 1, 1948, to June 30, 1949 (15 months)	Apr. 1, 1948, to Mar. 31, 1949 (12 months)
		Dollar earnings ²	Loans and credits ³			
	(1)	(2)	(3)	(4)	(5)	(6)
01 Bread grains.....						
02 Coarse grains.....	2,345.8	351.8	799.7	1,194.3	1,232.1	957.2
03 Fats and oils.....	393.1	90.7	128.0	174.4	167.6	131.9
04 Oilcake and meal.....	190.7	51.1	57.0	82.6	79.2	60.2
05 Sugar.....	369.8	119.2	99.7	150.9	149.9	117.9
06 Meat.....	360.2	149.2	47.6	163.4	106.4	83.6
07 Dairy products.....	270.6	28.7	16.2	225.7	169.5	133.5
08 Eggs.....	70.1	24.8	3.3	42.0	15.0	12.0
09 Dried fruits.....	34.5	3.9	5.5	25.1	7.6	6.7
10 Rice.....	47.8	11.9		35.9	36.0	34.6
11 Coffee.....	118.7	44.8	16.2	57.3	35.0	26.1
12 Other foods.....	188.3	102.9	35.6	49.8	24.1	20.0
13 Tobacco.....	299.0	82.1	9.3	207.6	138.4	110.2
14 Cotton.....	790.0	103.3	60.7	626.0	661.1	511.3
15 Nitrogen fertilizer.....	42.8	6.8	12.0	24.0	24.0	20.6
16 Phosphates.....	3.1	1.0	1.1	1.0	1.0	1.0
17 Potash.....						
18 Agricultural machinery.....	158.0	44.7	14.2	99.1	106.0	81.5
19 Coal.....	327.1	44.0		283.1	305.9	245.3
20 Coal-mining machinery.....	81.9	22.6	4.7	54.6	59.5	49.1
21 Petroleum products.....	599.6	133.4	23.3	442.9	484.5	379.7
22 Timber.....	333.4	118.6	14.3	200.5	185.4	142.2
23A Finished steel.....	162.5	69.5		93.0	97.0	75.5
23B Crude and semifinished steel.....	78.3	53.1		25.2	25.1	20.2
23C Pig iron.....	.3			.3	.3	.3
23D Scrap iron.....						
23E Rich iron ore.....	8.4	8.4				
24 Trucks.....	84.8	19.0	4.5	61.3	61.1	48.1
25 Freight cars.....	60.0			60.0	73.0	53.0
26 Steel equipment.....	48.1	11.0		37.1	35.3	28.3
27 Timber equipment.....	16.0			16.0	16.3	13.1
28 Electrical equipment.....	95.0	15.2	20.5	59.3	57.9	43.3
29 Copper.....	158.4	39.2		119.2	107.8	85.6
30 Tin.....	37.7	37.7				
31 Lead.....	88.5	19.3		69.2	75.5	53.5
32 Zinc.....	53.7	5.6		48.1	48.3	37.4
33 Aluminum.....	62.7	43.3		19.4	18.7	14.5
34 Wool.....	96.7	47.3	19.1	30.3	32.1	24.6
35 Wool yarn.....						
36 Woolens and worsteds.....						
37 Cotton yarn.....	4.3	.5		3.8	3.2	2.7
38 Cotton cloth.....	101.9	2.3		99.6	89.0	72.6
39 Wood pulp.....	36.0	36.0				
40 Newsprint.....	52.4	27.4		25.0	29.8	23.3
41 Rubber.....	4.2	1.4		2.8	2.8	2.1
42 Hides, skins, and leather.....	164.5	45.3	14.3	104.9	112.4	89.1
43 Fish.....	76.3	18.9		57.4	53.3	47.1
44 Chemicals.....	301.7	91.7	9.3	200.7	211.8	166.5
45 Machinery, n. e. s.....	587.5	29.5	136.4	421.6	458.0	329.4
46 Vehicles, n. e. s.....	251.2	52.5	70.8	127.9	107.2	88.6
47 Petroleum equipment.....	226.7	142.7	.4	83.6	80.8	67.4

Footnotes at end of table.

Recapitulation by commodity imports and by other dollar payments—Continued

[In millions of dollars with 1 decimal]

Commodity	Apr. 1, 1948, to June 30, 1949				ECA obligations	
	Total shipments from Western Hemisphere (18 months) ¹	Shipments financed from sources other than ECA funds		Total (col. 1 minus cols. 2 and 3)	Apr. 1, 1948, to June 30, 1949 (15 months)	Apr. 1, 1948, to Mar. 31, 1949 (12 months)
		Dollar earnings ²	Loans and credits ³			
	(1)	(2)	(3)	(4)	(5)	(6)
48 Miscellaneous commodities.....	1,899.5	1,211.8	245.2	442.5	319.0	239.6
48A Shipments from non-Western Hemisphere sources.....	200.0			200.0	200.0	160.0
49 Net dollar payments.....	817.3	645.6	145.1	26.6	26.6	22.0
50 Price adjustment ⁴	766.6	258.8	122.8	385.0	372.0	289.6
Grand total.....	13,565.3	4,468.5	2,136.8	6,960.0	6,702.5	5,222.0
1. Administrative and other expenses.....					+97.5	+78.0
2. ECA program April 1948 through March 1949.....						5,300.0
3. Comparable ECA program April 1948 through June 1949.....					6,800.0	
Reconciliation of 12-month ECA program with comparable 15-month ECA program:						
12-month ECA program.....					5,300.0	
Add: Estimated 3-month obligations (to bring to 15-month basis April 1949 through June 1949).....					+1,500.0	
Total.....					6,800.0	
Reconciliation of comparable 15-month ECA program on obligations basis with that on shipments basis:						
15-month obligations basis.....					6,800.0	
Less: 15-month administrative and other expenses.....					-97.5	
Total.....					6,702.5	
Less: Obligations for future delivery.....					-800.0	
Plus: Goods estimated to be in the pipe line April 1948 and financed prior to that date from sources outside of ECA program.....					+600.0	
Deficit arising from Western Hemisphere shipments ¹ which might be financed under comparable 15-month ECA program.....					6,502.5	
Reconciliation of estimated net deficit arising from Western Hemisphere shipments ¹ with comparable 15-month ECA program on shipments basis:						
Grand total of column 4, above.....				6,960.0		
Deficit arising from Western Hemisphere shipments ¹ which might be financed under comparable 15-month ECA program.....				6,502.5		
Estimated uncovered deficit.....				457.5		

¹ Includes shipments to bizon Germany from sources outside Western Hemisphere financed by ECA and amounting to \$200,000,000.² Includes proceeds arising from exports to Western Hemisphere countries, net dollar earnings on invisible account, and drawings on cash reserves.³ In the case of bizon Germany, includes the appropriation of \$822,000,000 being requested by the Department of the Army for the prevention of disease and unrest.⁴ Commodity imports and exports are valued at July 1, 1947, prices. The entry on line 50 (price adjustment) represents 7½ percent of estimated commodity imports from the United States, 5 percent of estimated commodity imports from other Western Hemisphere, and 5 percent of estimated commodity exports to the Western Hemisphere to compensate approximately for price increases since July 1, 1947.

Recapitulation by participating countries

PROPOSED DISTRIBUTION OF ECA OBLIGATIONS FOR COMMODITY IMPORT REQUIREMENTS AND FOR OTHER DOLLAR PAYMENTS, BY PERIODS

[In millions of dollars with 1 decimal]

Country	Apr. 1, 1948, to June 30, 1949				ECA obligations	
	Total shipments from Western Hemisphere (15 months) ¹	Shipments financed from sources other than ECA funds		Total (column 1 minus columns 2 and 3)	Apr. 1, 1948, to June 30, 1949 (15 months)	Apr. 1, 1948, to Mar. 31, 1949 (12 months)
		Dollar earnings ²	Loans and credits ³			
	(1)	(2)	(3)	(4)	(5)	(6)
Austria.....	271.6	11.6	20.0	240.0	242.7	185.6
Belgium-Luxemburg and Belgian dependencies.....	987.4	348.8	211.0	427.6	378.2	295.5
Denmark.....	265.3	24.1	62.0	179.2	169.4	130.8
France and French dependencies.....	1,944.4	321.9	185.0	1,437.5	1,469.3	1,130.8
Greece.....	235.4	60.7		174.7	137.5	106.4
Iceland.....	20.9	6.1		14.8	14.1	10.9
Ireland.....	195.3	33.1		162.2	150.0	113.9
Italy.....	1,122.8	171.0	112.0	839.8	901.1	703.6
Netherlands and Netherlands dependencies.....	1,178.2	181.8	175.0	821.4	777.7	599.6
Norway.....	263.3	120.7	79.8	62.8	42.1	32.8
Portugal and Portuguese dependencies.....	166.8	166.8				
Sweden.....	497.4	355.0	63.0	79.4	36.0	28.4
Switzerland.....	445.4	445.4				
Turkey.....	86.7	73.7		13.0	12.8	10.0
United Kingdom and United Kingdom dependencies.....	4,273.4	2,067.8	407.0	1,798.6	1,670.6	1,324.3
Western Germany:						
Bizon.....	1,442.5	64.2	822.0	556.3	554.6	437.4
French Zone.....	144.2	12.8		131.4	126.0	96.4
Saar.....	24.3	3.0		21.3	20.4	15.6
Total.....	13,565.3	4,468.5	2,136.8	6,960.0	6,702.5	5,222.0

Footnotes at end of table.

Recapitulation by participating countries—Continued

[In millions of dollars with 1 decimal]

Country	Apr. 1, 1948, to June 30, 1949				ECA obligations	
	Total shipments from Western Hemisphere (15 months) ¹	Shipments financed from sources other than ECA funds		Total (column 1 minus columns 2 and 3)	Apr. 1, 1948, to June 30, 1949 (15 months)	Apr. 1, 1948, to Mar. 31, 1949 (12 months)
		Dollar earnings ²	Loans and credits ³			
	(1)	(2)	(3)	(4)	(6)	(5)
1. Administrative and other expenses.....					+97.5	+78.0
2. ECA program April 1948 through March 1949.....						5,300.0
3. Comparable ECA program April 1948 through June 1949.....					6,800.0	
Reconciliation of 12-month ECA program with comparable 15-month ECA program:						
12-month ECA program.....					5,300.0	
Add: Estimated 3-month obligations (to bring to 15-month basis April 1949 through June 1949).....					+1,500.0	
Total.....					6,800.0	
Reconciliation of comparable 15-month ECA program on obligations basis with that on shipments basis:						
15-month obligations basis.....					6,800.0	
Less:						
15-month administrative and other expenses.....					-97.5	
Total.....					6,702.5	
Obligations for future delivery.....					-800.0	
Plus: Goods estimated to be in the pipe line April 1948 and financed prior to that date from sources outside of ECA program.....					+600.0	
Deficit arising from Western Hemisphere shipments ¹ which might be financed under comparable 15-month ECA program.....					6,502.5	
Reconciliation of estimated net deficit arising from Western Hemisphere shipments ¹ with comparable 15-month ECA program on shipments basis:						
Grand total of column 4, above.....				6,960.0		
Deficit arising from Western Hemisphere shipments ¹ which might be financed under comparable 15-month ECA program.....				6,502.5		
Estimated uncovered deficit.....				457.5		

¹ Includes shipments to bizonal Germany from sources outside Western Hemisphere financed by ECA and amounting to \$200,000,000.² Includes proceeds arising from exports to Western Hemisphere countries, net dollar earnings on invisible account, and drawings on cash reserves.³ In the case of bizonal Germany, includes the appropriation of \$822,000,000 being requested by the Department of the Army for the prevention of disease and unrest.⁴ Commodity imports and exports are valued at July 1, 1947, prices. The entry on line 50 (price adjustment) represents 7½ percent of estimated commodity imports from the United States, 5 percent of estimated commodity imports from other Western Hemisphere, and 5 percent of estimated commodity exports to the Western Hemisphere to compensate approximately for price increases since July 1, 1947.

Mr. COOLEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. TABER. Mr. Chairman, I move that the Committee rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York.

Mr. TABER. Mr. Chairman, on that I demand tellers.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Is the motion of the gentleman from New York in order pending the determination as regards the presence of a quorum?

The CHAIRMAN. The gentleman's motion is in order. A quorum is not necessary upon a motion that the Committee rise.

Tellers were ordered, and the Chairman appointed as tellers Mr. TABER and Mr. CANNON.

The Committee divided; and the tellers reported that there were—aye 1, noes 64. So the motion was rejected.

The CHAIRMAN. Evidently a quorum is not present.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 94]

Abbitt	Hébert	Monroney
Anderson, Calif.	Heffernan	Morrison
Andrews, N. Y.	Hendricks	Mundt
Bell	Horan	Norton
Blatnik	Isacson	Owens
Bloom	Jenkins, Pa.	Patterson
Buckley	Johnson, Ill.	Ploeser
Byrne, N. Y.	Johnson, Okla.	Plumley
Carson	Johnson, Tex.	Potts
Chiperfield	Judd	Powell
Clark	Kearney	Priest
Clippinger	Kee	Reeves
Coffin	Kefauver	Rich
Combs	Kennedy	Rivers
Corbett	Keogh	Robertson
Courtney	King	Scoblick
Davis, Tenn.	Knutson	Sheppard
Dawson, Ill.	Lane	Short
Dorn	Lesinski	Sikes
Durham	Ludlow	Simpson, Ill.
Elliott	Lusk	Smith, Maine
Ellsworth	Lyle	Stigler
Fernandez	McCormaek	Stratton
Gallagher	McDonough	Taylor
Gathings	McMillen, Ill.	Thomas, N. J.
Gore	Macy	Twyman
Gossett	Madden	West
Gwynne, Iowa	Mansfield	Whitaker
Hale	Meade, Md.	Whittington
Hartley	Miller, Calif.	Wilson, Ind.
Hays	Mitchell	Youngblood

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 6801, and finding itself without a quorum, he had directed the roll to be called, when 337 Members responded to their names, a quorum, and

he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I shall vote for this appropriation bill, but I shall offer a perfecting amendment striking out therefrom all aid to Great Britain. I do this in the light of and in retaliation for Britain's miserable conduct in the Middle East. During the last stages of the mandate, Britain piously stated she would maintain law and order. She fomented disorder. She pontifically stated that she would remain neutral during the mandate, but she encouraged Arab attacks against the Jews. She supplied the Arabs with implements of war. Her idea of neutrality was aiding the attackers and disarming the attacked and depriving the Jews of the means of defense. Then Bevin sabotaged the partition decision. He refused to abide by the United Nations' decision that a seaport and the hinterland be vacated for Jewish immigration by February 1. He closed the port of Haifa and sealed off all immigration. He refused to permit the Palestine Commission of the United Nations to enter. The Palestine Commission castigated Britain as follows:

The refusal of the mandated power to cooperate in its reduction of any progressive transfer of authority, and the inability of

the Commission to be in Palestine constitute a serious jeopardy.

But the Jews refused to be intimidated. They held fast at Lake Success, and they held firm in Palestine, and they showed their true mettle. They bravely set up their state and are now defending it to the death. But embittered and beaten by the collapse of his cunning plan to prevent partition and the setting up of the state, Bevin then started a large-scale war against the Jews through his stooges like Abdullah, Feisel, and Faruk. He waged a squalid war by proxy against the Jews. He removed the mask of neutrality, and then he deliberately admitted aid to the Arabs because of treaty obligations. His equation ran thus: Treaty obligations equal blood money, and slaughter of the Jews. The war in Palestine was, and still is, an invasion—British controlled, British financed, British supplied, British engineered and officered. Let us not forget, and I urge you not to forget it for one moment that it was British artillery which made a rubble of the Holy City with British officers commanding Arabs manning British mortars which desecrated some of mankind's most cherished shrines. British Spitfires maimed and struck innocent women and children in the city of Tel Aviv. Do not forget that. Shall we shrug our shoulders and fail to notice, much less punish, for such shameful British conduct? Must we not bring the stubborn bully, Ernest Bevin, to book? My amendment does just that. Remember the invasion by Britain and the Arab states—with the Arabs plentifully supplied by Britain with money and equipment—has not destroyed Israel and never will. Bevin and his stooges have not even made a dent in the boundaries of Jewish Palestine. Bevin thus failed again. Now he is launching a third attack, a political campaign. First his "neutrality" failed—miserably failed, that is, his so-called neutrality; then this military offensive failed, and now, in the next few weeks of cease-fire, Bevin will seek to extort territory assigned to Israel by the United Nations, presumably turning such areas over to his stooge, Abdullah, that is, to himself. Despite the protestations to the contrary, Bevin does not wish to get out of Palestine at all. Despite protestations to the contrary, he wants to remain, and he will do everything in his power to remain there. But we are not going to let him remain. He wants large tracts of eastern Palestine including Jerusalem and the Negiv in the south. Bevin would install Abdullah as caliph in the Holy City, although under UN, Jerusalem is to be an international conclave.

But Bevin's political conniving will fail again.

Bevin is enraged at the Jews for worsting him. He covets personal revenge. He would still further truncate Israel. He will use his Arabophile friends in our State Department headed by Roy Henderson to carry out his diabolical scheme.

But we cannot remain complacent. We must crack his knuckles. Withhold funds from Britain and Bevin. Irritate the pocket nerve. Then, and only then, will he see the light.

You do not lend or give money to one who will use it to plunder and destroy your friend's house.

We cannot decry British perfidy in the Middle East and then encourage her in her fantastic and cruel war against the Jews.

Bevin and his government demand austerity for their people yet use our precious money to follow a dishonorable and treacherous course in Palestine.

To give money to Britain makes us particeps criminis—partners in crime.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. BUFFETT].

(Mr. BUFFETT asked and was given permission to revise and extend his remarks.)

Mr. BUFFETT. Mr. Chairman, it is a source of satisfaction to those of us who opposed this legislation to find that the Appropriations Committee has made a real effort to go at this job in a workmanlike and intelligent fashion.

There are many of us who are greatly concerned about restoring the financial solvency of this country, on which the future of the world depends. No foreign foe can harm the United States like runaway inflation. That prospect is a basic home problem that this Congress persistently refuses to face.

You can talk about other problems, but the paramount responsibility of this Congress is that of maintaining the solvency of the United States Treasury and regaining the integrity of the United States dollar.

If we continue to lose that fight by default you can have all the military equipment on earth but you will lose to communism. That truth has been overlooked entirely too long in the deliberations of this House.

Mr. Chairman, a few weeks ago the President of the Federal Reserve Bank of New York was speaking, and here are his words of warning. Every Member of this House should heed this alarm. I quote:

Without our support [the Federal Reserve System] under present conditions almost any sale of Government bonds undertaken for whatever purpose, laudable or otherwise, would be likely to find an almost bottomless market on the first day support was withdrawn.

Do the Members of this House appreciate what that means?

I remember back in 1929, when we had artificially supported market on securities. I remember how they rigged the price of Cities Service stock month after month, and how Cities Service stock that sold at the equivalent of over \$600 went down later to less than \$3 a share when the support attempt collapsed.

Also I remember another experiment in holding prices, a Government experiment in rigged markets, in 1930, 1931, and 1932. Then the Government of the United States tried to hold up the price of wheat. All of you know what happened when that price-support scheme collapsed.

Now the Government of the United States is engaged in a price-support operation in which it is attempting to hold at artificial levels the price of Govern-

ment bonds. In the last 6 months the Federal Reserve System has bought some billions of long-term Government bonds in that effort. That is a condition of ominous danger, that thus far this Congress has blithely ignored.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. Yes; I yield.

Mr. NICHOLSON. We are printing money; are we not?

Mr. BUFFETT. Well, our currency is mostly irredeemable paper, so that you can say that indirectly we are printing money. But we have not reached the outright printing-money stage yet, but we are moving steadily in that direction.

It has always been my view, Mr. Chairman, that the real weapon that the Kremlin is counting on to defeat us is unlimited inflation in this country—an economic Pearl Harbor.

Certainly this bill moves us in that direction. What the present global spending spree amounts to is this: The Kremlin has thrown us a long rope. Our rulers have grabbed it enthusiastically and are wrapping it around our neck. That is the final effect of our foreign spending. That is what started under UNRRA. That is what followed under postwar lend-lease. That is what will happen with this hand-out, if the record of the past is any guide to the future.

Now, what do you have in Europe today? You do not have Europeans investing their own money in their own lands. No, sir. They are using every device and trick in the book to get their wealth out of Europe, because they see Russia and the United States challenging each other. As long as we keep maneuvering in the direction of war, the people of Europe are not going to have confidence in the reconstruction of their lands.

And so we are proceeding at this business backward. We are trying to get recovery before peace, and you have to have peace in order to have recovery.

The Marshall-plan dollars will fail, and as they fail the deterioration of the American dollar will gain momentum. The Truman-Vandenberg-Marshall policy still continues to strengthen Russia and weaken America.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BUFFETT] has expired.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I am not acquainted with Mr. Paul Hoffman, nor do I know anything at all about his politics. I assume from the speeches which have been made here that he is an outstanding American citizen and is trusted by both major political parties; a man who has a patriotic desire to be of service to his Republic in the trying days ahead.

It seems to me it would be the part of wisdom to fortify such a man with something in excess of the amount of money which will actually be required to do this job. I, for one, would prefer to give Mr. Hoffman too much rather than too little.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MAHON. The gentleman might have pointed out in making reference to Mr. Hoffman that the attitude of the Congress toward him was well expressed by the action of the Senate in overwhelmingly confirming his appointment for the position which he holds.

Mr. COOLEY. I thank the gentleman for his contribution.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GAVIN. In view of the fact that my very good friend, the gentleman from Pennsylvania [Mr. RICH] is not here, I may ask for him, Where are you going to get the money?

Mr. COOLEY. The gentleman might ask the gentleman from Pennsylvania [Mr. RICH] that same question. I do not know where we are going to get the money. I know we do not have the money.

We are embarking upon a tremendous program and I for one, as a humble Member of the House, feel that this bill has been changed from a recovery measure to a relief measure. It is a tremendous undertaking when we start out to revitalize and restore the war-torn areas of this world. More than a hundred Members of Congress had an opportunity during the last recess to visit Europe and to see the destruction wrought in the various countries of Europe. I am very much afraid that we are about to make the same mistake in the Marshall area countries that we have already made in the American-occupied zones. I know that in Germany we are only dragging our feet. We will never be able to restore the economy of Germany to the point that we will feel free to move out until we step up and accelerate a real recovery program. We told General Clay to maintain a subsistence diet for the German citizens, to protect the health of the people and to prevent unrest, and with that kind of program we have given him only a limited amount of money to do the great job which has been assigned to him.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. STEFAN. The gentleman will agree, of course, that Mr. Hoffman is not on trial here. Everybody agrees that he is a high-minded very patriotic American citizen; but the gentleman would not give any administrator more money than he could spend, would he?

Mr. COOLEY. I would certainly be willing to trust Mr. Hoffman.

Mr. STEFAN. So would I.

Mr. COOLEY. Trust him with an additional sum to do the job we are giving him to do.

Mr. STEFAN. We gave Mr. Hoffman \$1,000,000,000 to begin with. He has been unable to spend more than \$208,000,000 up to this time. The fact of the matter is the gentleman from North Carolina would not give any administrator more money than he could spend, would he? Now, as to General Clay we have General Clay's appropriation under consideration.

Mr. COOLEY. General Clay's appropriation, of course, is not involved in the matter now under consideration.

Mr. STEFAN. If the gentleman will yield further, it is. We are supplementing General Clay's appropriation with approximately 300 calories additional food for the German ration. General Clay's program under GARIOA is to feed the German people, raising their diet from 1,450 calories to 2,200 calories. We are supplementing General Clay's means by 300 calories from the committee's appropriations.

Mr. COOLEY. So the gentleman does admit that we have been dragging our feet in Germany and that we have failed to provide the German people with an adequate subsistence diet.

Mr. STEFAN. There is no question about that. The gentleman is absolutely right.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. CANNON. Mr. Chairman, I yield the gentleman four additional minutes.

Mr. STEFAN. The gentleman is absolutely right, so we are supplementing General Clay's program with approximately 300 calories from ECA, which we have in the bill, and it will reach that amount with the money we have provided according to the testimony given the gentleman from New York [Mr. TABER] and our committee.

Mr. COOLEY. Then you are improving the situation in Germany?

Mr. STEFAN. Definitely.

Mr. COOLEY. But you are crippling and destroying the hopes of the other countries of Europe when you fail to provide an adequate, and I should say even an abundance of relief, if it is going to be used for the purpose of restoring the depleted and devastated economies of those countries.

Mr. STEFAN. Not at all. We are giving ECA and GARIOA all the money they can spend to meet the program and the business they have with the amount provided in this bill.

Mr. COOLEY. You are doing that but the fact is you are taking a 12 months' program and stretching it into a period of 15 months. The result is that you are cutting the over-all appropriation which the people who know most about it claim is needed.

Mr. STEFAN. The gentleman really does not know what he is talking about for the reason that the cut was made on the basis of new evidence that was given to us. The evidence we originally had was made up many, many months ago, and the improvement was such that we were able to make that reduction.

Mr. COOLEY. Does the gentleman contend that the committee is providing the funds which all of the people in authority in the Government say are needed?

Mr. STEFAN. Oh, no. They would like to take \$5,000,000,000 more if we would let them have it.

Mr. COOLEY. Why would the gentleman make that statement if he has faith in the integrity of Mr. Hoffman? Does the gentleman think Mr. Hoffman wants

this Congress to give him money to waste and throw away? If so, you should not give him a dime. If you have confidence in him, why not fortify him with sufficient funds to do the job?

Mr. STEFAN. For the reason that Mr. Hoffman does not know half as much about this program and these justifications as the chairman of the Deficiency Committee and other member of the committee who had been holding hearing 6 weeks before Mr. Hoffman ever got into the picture.

Mr. COOLEY. Does the gentleman have any confidence in Mr. Hoffman?

Mr. STEFAN. Yes, I have.

Mr. COOLEY. All right. May I close with this remark: I do not impugn the gentleman's motives or the motives of the other gentleman from Nebraska or anybody else who wants to oppose this bill. They have a perfect right to do so, and I do not call you Communists, but I want to say in closing that we have the mugwump of mugwumps in opposition to this measure in its entirety. I want to read from his own language back in 1946 when he admitted he was a mugwump. I want to quote excerpts from his speech delivered on March 23, 1946, and I refer to the late Cabinet officer, Mr. Wallace:

I say this without rancor because I spent some years on the mugwump fence myself, one of those seeking progress and who found a door to opportunity—and the door was labeled "the Democratic Party."

So to keep our own party on the side of progress, we must call upon those Democrats who have been harmful to our cause to return to the way of Jefferson and Jackson and to honor our side of the fence with their "mugs" as well as their "wumps."

Now is the time for Mr. Wallace to put his "mug" where his "wump" is. First, he was a Republican; then a Democrat; and then a mugwump. He is opposed to the European recovery plan; so is Joe Stalin. He is opposed to this appropriation, and so is Joe Stalin. I do not think that Henry Wallace is a Communist, but I am certainly willing to believe that he is a misguided mugwump. By his own confession, he was once a Republican, and then a Democrat, and now I doubt if he knows what he really is. But Mr. Wallace is not alone in his opposition to the recovery program. Both the gentlemen from Nebraska voted in opposition to the European recovery plan when the roll was called on March 21. So the Members of this House who are actually interested in European recovery, in world peace and progress should not be misled by following the arguments of the gentlemen from Nebraska [Messrs. BUFFETT and STEFAN].

As a member of the Herter committee, along with 17 other members of this House, I had an opportunity last fall to visit the distressed and devastated countries of Europe and to obtain first-hand information concerning the needs of each of the countries I visited. I know that the need is great, and yet I appreciate the fact that the actual need in each country is a matter of great uncertainty. Of course, there is an element of speculation in all of the esti-

mates which have been submitted, for no man can know what the future will bring forth. If poverty and want and the physical distress of hunger make for communism, then certainly some of the nations of Europe are ripe for the reapers of communism. Only a blind man could fail to see the sufferings and hardships which the people of Europe are now experiencing. This is a race for heavy stakes. If we would save the institutions of freedom in the world, we must be willing to make a contribution to the cause of freedom throughout the world. I hope, therefore, that when this bill is finally enacted, it will provide adequate funds to do the great job of recovery needed to be done in the suffering areas of the world.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the gentleman from North Carolina says that he is tremendously worried for fear that making the request for 12 months do for 15 months will convert this from a recovery program into a relief program. Let me bring to the attention of the Members of the House the real fears of the gentleman from North Carolina.

I have in my hands here a copy of a letter written by Mr. Charles E. Gage, Director of the Tobacco Branch of the Department of Agriculture, to Mr. L. L. Gravely, secretary-treasurer of the China-American Tobacco Co., of Rocky Mount, N. C. The letter is dated February 3, 1948. In it, he says:

Senator ROBERTSON of Virginia made the statement in Danville last week that if the appropriation requested by the Secretary for the first 15 months' operation of ERP were reduced, tobacco would be one of the first commodities affected thereby.

Bear in mind that Mr. Gage has been Director of the Tobacco Branch in the Department of Agriculture, which was involved in working up the estimates on this program as far as tobacco is concerned. Then Mr. Gage, with respect to Senator ROBERTSON's statement, says:

I believe this is a sound conclusion.

Let me give you that again. Gage says to Gravely:

Senator ROBERTSON of Virginia made the statement in Danville last week that if the appropriation requested by the Secretary for the first 15 months' operation of ERP were reduced, tobacco would be one of the first commodities affected thereby. I believe this is a sound conclusion.

Now, the real fear of the gentleman from North Carolina is that if you make this 12 months' request do for 15 months, it may cut down a little on the 110 or 120 million dollars' worth of tobacco requested in this bill for the first year of ECA.

Just let me give you a little more along this same line. I also have a copy of a letter written by the head of the British Food Commission, Maurice I. Hutton, dated April 7, 1948, written to Mr. Gage, director of the Tobacco Branch, in which

Mr. Hutton, head of the British Food Commission, says:

A reduction in the total programs would necessarily involve a reduction in our request for certain individual commodities. Much as we should wish to obtain our needed requirements of tobacco, I have little doubt that in such circumstances tobacco would be one of the items which we would have to reduce.

Now, that is the reason for the fears of the gentleman from North Carolina.

And it also shows that in April, after the ECA Act had become law, that the head of the British Food Commission recognized that the total program might be reduced, presumably by action of the Appropriation Committees of the Congress.

Let me give you a little more about this situation. Back in January, when the thing did not look quite so fine, Mr. Gage wrote a letter to Mr. Harry Jefferson, president of Waitt & Bond, Ltd., 310 Sherman Avenue, Newark, N. J., saying:

It has been exceedingly thoughtful and nice of you to keep on sending me cigars week after week, but I could not possibly feel comfortable in accepting them longer with the way the business outlook has changed and the way it is affecting the fortunes of W. & B.

I am told, but do not know, that Waitt & Bond are tobacco exporters or dealers, apparently a British corporation.

Let me give you a little more on this. Mr. Gage, who has been a respected employee of the Department of Agriculture for some forty-odd years and recently head of the Tobacco Branch resigned or retired a few weeks ago, or is about to do so. I am informed that last week the tobacco industry contributed to providing a farewell banquet at the Mayflower, I believe it was, or one of the hotels in town, and he received many gifts in appreciation of what he had done for the tobacco industry. Among them was a Cadillac automobile, I am told, which makes me wonder a great deal about the estimates that were submitted.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I am not going to yield until I put this tobacco picture before the Members. The gentleman opened this thing up, so let us go into a little bit further and see how the tobacco estimates grew.

You will find the facts in the testimony of Mr. F. B. Northrup, Director of the Price Support and Foreign Supply Branch of the Department of Agriculture, who accompanied Mr. N. E. Dodd, Under Secretary, in the presentation of agricultural requirements, and whose testimony begins at page 271 of the printed hearings. Specific testimony of Mr. Northrup on tobacco will be found on pages 365 and 366.

In the requests that were made by the European nations, the CEEC estimates, for tobacco, they asked for what? For about 247,000 metric tons. That was the request of the nations of western Europe as developed at Paris. But what did the tobacco people in the Department of Agriculture think? Well, that is not enough. So they proposed to increase

the allocations on tobacco, and proposed that instead of 240,000 metric tons we should provide 328,000 metric tons of tobacco. That was their estimate along the first part of the year. They revised it in March and made it 323,000 tons. What happened to boost the requirement by 80,000 tons, an increase of 33 1/3 percent? Did another war devastate Europe?

I suggest that it may be entirely in order for men who have been in Government service to accept gifts after they leave the service, if they have been faithful to the responsibility of their tasks. But it makes me wonder when I see these facts and know that the tobacco proposed to be provided by the taxpayers of this country for other governments is increased by 80,000 metric tons on the suggestion of our own officials.

In January a mission of two men by the names of J. Barnard Gibbs and C. B. Cheatham, Jr., went to England, apparently to drum up some tobacco requests from Ireland. I have a copy of a letter which they wrote from the American Embassy in London, on January 7, 1948, addressed to Mr. Joseph A. Becker, chief of the international commodity branch, office of foreign agricultural relations, Department of Agriculture. It reviews in detail, five pages typewritten single spaced, their contacts in Ireland in behalf of tobacco exports. A short quotation will be sufficient to show the character of their work. I quote:

We found the minister, who happens to be a cousin of E. J. O'Brien, very much interested in the tobacco situation. He was particularly interested to learn of pressures being brought to bear in the United States to encourage tobacco exports. We gained the impression that he would not favor excessive generosity in giving tobacco to Ireland under the Marshall plan, but he was definitely convinced of the importance of tobacco to Ireland and thought some concession by the United States might be in order, especially if Ireland would cooperate in the Marshall plan in increasing its exports.

Is it any wonder then that on the 22d of January 1948 the Cork Examiner carried an interesting editorial. Bear in mind that this is an Irish newspaper. It said:

Many citizens of Eire must have opened their eyes in wonder when they learned that Eire stands to be allocated almost £88,000,000 out of the United States contribution toward the recovery of Europe.

Let me insert here that personally I did not hear that Ireland was in the war, nor did I hear that it was devastated by the war, nor did I hear that Ireland had been threatened by the wave of communism; yet the planners of this program decided that Ireland should share in this recovery program, apparently, and when the figures came out that the equivalent of 38,000,000 pounds sterling out of the recovery program should be allocated to Eire, the Cork Examiner carried this editorial. Continuing:

It is, of course, inadvisable to look a gift horse in the mouth, and the general feeling will be to thank America for her thoughtful generosity, which is all the more noteworthy when we remember that when she asked us

to expel Nazi representatives in Dublin we refused.

That is, Ireland refused our request for a little cooperation in ending use of the country as an enemy spy base. I read on:

We also turned down a suggestion that we might allow her facilities in certain ports. We were neutral during the war, and we emphasized our neutrality on many occasions.

But in spite of that, when the planners worked this thing up and decided that they knew better than the European nations what they might need, and put this program out, Mr. Thomas B. Commins, commercial secretary of the Irish Legation, contacted the tobacco branch down here at the Department of Agriculture to see how Ireland might share in some of these allocations of tobacco. Under date of April 24, 1948, Mr. Commins wrote to Mr. Gage and referred to the understanding of his Government that they were going to be made some allocations of ECA dollars for tobacco, and said if that were true, then it would be possible at this time for them to use some of their own dollar exchange, and they could get an import license from their government on that basis.

"Provided dollars are eventually made available under the ECA program for this purpose at a later date," his letter runs. I have it here, dated April 24, 1948. "My government would be extremely grateful if your Department could see its way to earmark 3,500,000 pounds of this tobacco for us on this understanding," he wrote.

Let us go back in this thing a minute. This program was sold to the American people on the basis that it was going to do something for the recovery of Europe.

At the outset, at one of the first hearings of the committee on this matter, I asked those who were before us to what level they wanted to build Europe, for we had just had placed in our hands a survey of the economic situation and prospects of Europe, prepared by the Research and Planning Division of the Economic Commission for Europe of the United States Economic and Social Council. My copy came to me with a letter from the chairman of the Committee on Foreign Affairs of this House, the distinguished gentleman from New Jersey [Mr. EATON], in which he said that this represented the latest and best estimates of the situation in Europe that were available.

This report was dated March 30, 1948. It is sometimes referred to as the Myrdal Report, because Mr. Myrdal was secretary of the Commission.

On the first page of this survey appears a table on the level of industrial production in European countries. Excluding Germany, the countries of Europe in 1947, in the second quarter, reached 100 percent of their 1938 or prewar production. In the third quarter it was 99 percent.

Now as to specific countries, the United Kingdom was above 100 percent of its 1938 level from the first quarter of 1946 on through the third quarter of 1947, without exception, and wound up at 109 percent for the third quarter of 1947. The Netherlands ranged from 106 percent to 119 percent all through 1947;

Denmark, from 98 percent to 108 percent; Belgium, from 99 percent to 102 percent. Germany, however, was back only to 37 percent, and yet Under Secretary Lovett, in our hearings in his testimony, said that he agreed with the statement that I had made that Germany was the key to the recovery of Europe.

What the planners are trying to do by this program is to build up the countries of western Europe outside of western Germany to about their 1938 prewar level, and to let Germany come up to something below her 1936 level. Remember Germany was only up to 37 percent and we feed her until she gets on her feet.

This afternoon I was called to the door here and told about the way part of this foreign aid program is being administered. The procurement division asked for a bid on 800 microscopes for Greece and Turkey. Bids were taken on them. A certain bidder offered to supply them out of the production of a factory sponsored by military government in Germany where presumably we are trying to get them back to recovery, and offered to supply them at a price that was \$14,000 below the nearest bidder. In addition to that, this firm pointed out that they could supply them to Greece and Turkey without the cost of transportation to this country and the payment of import duties here and the transportation back to Greece and Turkey and would reduce the bid still more by the amount of that saving.

The Procurement Division did not open the bids publicly. When a representative of this firm went to Mr. Gouveraux and asked him about it he said, "We are not required to do that for these foreign-aid programs." So they did not open the bids publicly. In fact, they finally rejected all the bids, and then negotiated a cost-plus contract with a United States firm at \$14,000 above the bid price.

Now is it any wonder when situations like that come to the attention of the members of this committee that we think we would be derelict in our duty to the American people if we did not give these estimates the once over? Some Members talk as if we ought to have taken the figure that was suggested in the authorization bill and just say, "Here it is; go to it." That is not done with respect to the authorizations for programs in the domestic field, and it ought not to be done here. The Committee on Appropriations could not escape its responsibility to look some of these things over.

Mr. Chairman, if we had ample time, I would go into the picture of cotton, but I will just hastily tell you what happened with respect to cotton.

There were no specific requests for cotton in the figures submitted. They had a chart or table which they gave us, and on this table it said, "N. A." We asked what "N. A." meant. They said, "Not available," as to cotton. Then you will find in the hearings at pages 368-369 where I ran that down to find out how we were called upon to provide \$511,000,000 for cotton. The experts before us said cotton was covered in the miscellaneous requirements. Yet the quan-

ties proposed make it almost one-eighth of the entire program and second only to wheat in commodities. If you look over the petroleum figures, you will find that Mr. Levy testified that these tables that had been submitted to us were not correct. But what happened when we hit on the fact that some of the tables offered were not correct? They would say, "This is a flexible program."

Mr. Nitze, who represented the State Department, said, "You will understand that when we gathered these figures from the different executive branches, we did not know what the Administrator would decide, and of course when the bill was set up, the Administrator had not had an opportunity to go into the figures so we should not be bound by them."

So that was the basis on which we had to act. And no one can deny that they proposed to spend these huge sums on tobacco in excess of the original CEEC request and on cotton and on petroleum according to figures that are not firm.

Time does not permit going farther but I hope the Members of the House have heard enough to convince them that the Appropriations Committee was not only within its rights but trying to meet its responsibility when it looked at these figures, and when it said that we ought to put this program on a basis that will give the Administrator a fair chance to do a decent job.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. CASE] has again expired.

Mr. CANNON. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I take this time because of the statement just made by the gentleman from South Dakota [Mr. CASE] with regard to Mr. Charlie Gage. I happen to have been one of those honored by attending the farewell banquet which was given to Mr. Gage. He has been in the Government for over 40 years, and nobody, until the gentleman from South Dakota, has ever questioned his integrity or impugned his motives or accused him of accepting bribes or gratuities.

I went to the banquet. I know who was there. Farmers came from my district and from just about every tobacco district in this country; farmers and warehousemen, independent dealers, and others, including Members of Congress.

Mr. CASE of South Dakota. Mr. Chairman, I demand that the words be taken down, because I did not accuse Mr. Gage of accepting a bribe. I merely pointed out how he had been in charge of the section which apparently boosted the proposed allocations of tobacco beyond the requests of the CEEC countries, how he recently retired and was given a banquet by friends, including members of the tobacco industry and had been given, I was informed, a Cadillac car. A bribe, as I understand it, would be something that was promised to someone in advance of doing something improper and in consideration for doing it. That I did not suggest, or imply, or intend to imply.

Mr. CASE of South Dakota. Unless—

Mr. COOLEY. Unless I do what?

Mr. CASE of South Dakota. Unless the gentleman will yield. If the gentleman will yield I will withdraw my demand that the words be taken down.

Mr. COOLEY. The gentleman did not yield to me and was not even courteous to me.

Mr. CASE of South Dakota. All right; then let us have the words taken down.

No, Mr. Chairman, in the interest of expediting the business of the Committee, I withdraw my request. I merely wished to point out that I did not accuse Mr. Gage of accepting a bribe.

Mr. COOLEY. Mr. Chairman, I hope that the gentleman did not intend to question Mr. Gage's motives. The fact is that the implication was there. The fact is that these farmers appreciating the long and loyal services of a man who had reached a mature age and was retiring from the service honored him and his wife with a farewell banquet and praised him with words. Farmers came from the tobacco sections of the country to do honor to Mr. Gage, and I have never heard such praise accorded to a man as was accorded to him at that banquet.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. FLANNAGAN. It is entirely false that he received a Packard car.

Mr. COOLEY. A Cadillac.

Mr. FLANNAGAN. Or any kind of car.

Mr. COOLEY. I never heard it mentioned until today.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from West Virginia [Mr. ELLIS].

Mr. ELLIS. Mr. Chairman, I did not support the ERP bill when it was before the House some weeks ago. There is abundance of evidence today to support that position, and, consequently, I shall oppose the appropriation bill.

(Mr. ELLIS asked and was given permission to revise and extend his remarks.)

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman—

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. Briefly.

Mr. MARCANTONIO. I think, after having heard the amazing revelations made by the gentleman from South Dakota [Mr. CASE], that it becomes more and more vivid that there is just a tiny little bit of tobacco patriotism in all of this so-called anticommunism.

BRITISH RECORD FILLED WITH BROKEN PROMISES

Mr. KLEIN. Mr. Chairman, I am placed in a somewhat unusual position here, and it is an unwelcome position for me. I have never opposed an appropriation for foreign aid or foreign relief. I have always stood for cooperation between all the countries of the world and I believe my record bears that out. I voted in favor of the British loan when it came up 2 years ago, although a majority of my constituents were opposed to it. I received over 3,000 letters in opposi-

tion and only one letter for it, yet I voted for it because I felt that we were doing something to stabilize the economic condition of the world in helping Great Britain on that occasion, even though I had a great deal of doubt as to whether Great Britain would ever repay the money. Her record is replete with failures and broken promises.

I voted as well for the ERP bill when it came up, although I stated at the time that I did not like the aid to Greece and Turkey, or China to sustain those reactionary governments in power; but I voted for it because I felt that the relief phases of it were steps towards combating communism throughout the world and I feel that the best way to defeat communism is to demonstrate to all peoples the benefits of democracy, and to give them whatever money or other means they need for relief of their people. We know that communism feeds on despair and on hunger and on misery. If we give these countries the wherewithal to help feed their people, clothe them, and house them properly, they then might realize the benefits of democracy and remain democratic, and cease their trend toward communism.

OPPOSED TO BILL IN PRESENT FORM

I oppose this bill in its present form. I hope that the Members will support the amendment that is to be offered either by myself or by the gentleman from New York [Mr. CELLER] to strike out from the bill all aid to Great Britain. If we give them this money let us be honest with ourselves and realize that we are giving it to them, not lending it to them. We should know that we will never get it back. We should remember also that if we give them this money we are just helping them to turn over large amounts of money to the Arabs who have embarked on the present war of annihilation in Palestine, a war which in my opinion will lead eventually to a world conflagration.

We are permitting and helping them to carry on the inhuman things that they have been doing there in encouraging the Arabs and forcing the Arabs on, because the Arabs did not want this war. They were pushed into it by Great Britain simply to protect her own selfish interests. Great Britain's history throughout the years has always been one of getting the other fellow to do the fighting for her, protecting her interests, and then taking the spoils. I think the time has come when we should say to England that she has got to stop helping the Arabs. If we took a firm stand in that direction she would cease her aggressive actions. At least we should not make it possible for her to continue giving the Arabs aid to the extent of about \$46,000,000 a year which they claim they must do under treaty obligations.

STOPPING FLOW OF ARMS IS EMPTY GESTURE

She claims she has now stopped sending arms to the Arabs. That may be so, but it will make no difference, for the Arabs now have all the arms they can possibly need. Here you have a typical British subterfuge. They say they have

stopped the flow of arms into Arabia. Certainly they have stopped the flow of arms, but the Arabs have so much war matériel in Arabia now that they do not need any more, and they are all British arms.

If Britain continues aid to the Arabs certainly we should lift our embargo on the shipment of arms to the Jews. The Jews in Palestine are a pretty rugged lot and are able to give a good account of themselves, but it is impossible to expect that the Jews of today can duplicate the feat of Biblical times and slay the Arabs with a slingshot.

Evidently that is what we are expecting them to do.

THE JEWS FIGHTING IN ISRAEL ARE MEN OF COURAGE

A columnist has attributed to Winston Churchill this remark:

The Jews fighting in Israel are men of courage. I admire courage. I hope they win.

That is a sentiment which most Americans will echo and applaud. Too bad his successors in office do not feel the same way.

There is no great difference between the birth of Israel and the birth of the United States of America.

Both countries were born in violence—in the violence which free men use to overthrow tyranny and oppression and exploitation. The American Colonists rebelled against the autocratic and despotic misrule of their British viceroys; and the modern Jews rebelled against the unending series of broken promises and false words.

Wherever your eye may turn history tells of such oppression by the British sway of Empire—in India, in Ireland, in the Americas, in Africa; and always free men who would not be chained rebelled with violence, and usually died to lose their chains and to unchain their compatriots.

We cannot see, Mr. Chairman, why we should now continue to subsidize British tyranny with American dollars.

America stands for freedom of all peoples, for peace, for prosperity.

Great Britain stands for oppression, for exploitation, for commercial feudalism.

We call upon the Members of this House to stand with us to strike from the instant bill all aid for Great Britain until she has demonstrated her willingness to work in and with the United Nations, to strengthen and support the United Nations, to abide by the decisions of the councils, and to recognize the superior claims of human needs to her own selfish commercial empire.

We do not believe that the honorable Members of this House wish to stand before the world, their hands stained, like Ernest Bevin's hands, with the blood of innocent men and women and children, needlessly killed to keep the anachronistic British Empire from falling apart with age and desuetude.

I have no objection to helping countries which will carry out their agreements and we want to aid friendly countries in getting on their feet. My opposition to these items in this bill does not mean that I am opposed to the whole

idea of aid to other needy nations, but it does mean that I feel that this country should stand for fair dealing among nations.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CANNON. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. GARMATZ.]

Mr. GARMATZ. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GARMATZ. Mr. Chairman, it is late—very late. I do not have to remind you gentlemen how few days remain before we go back to our constituents to answer for what we have done, or failed to do, during the 2 years in which the Eightieth Congress has been in existence. It is hardly necessary to say that high on the list of these failures is likely to be the absence of any housing legislation. If this legislation is not passed, in my city, at least, the question will be asked: "Why have you failed to reflect our wishes in this matter?" And I do not think I am the only one of whom this question will be asked. All of you know that the overwhelming majority of the people of this country have been counting on the passage of the Taft-Ellender-Wagner housing bill to relieve a situation that is actually threatening the right of families to exist as family groups.

Our memories and those of our constituents—are not so short that they cannot go back a year. You will recall that when Congress adjourned in July 1947, it could not quite make up its mind to go back home and announce that it had done absolutely nothing about the housing shortage. You will recall—as they do—that to cover this lack a Joint Committee to Investigate Housing was formed with the understanding that it was to investigate housing at the grass-roots level and return with findings on which we would base our legislation during the coming session. The committee visited 32 localities. From other cities which they did not visit, they had very thorough accounts of the housing needs of the community. You know the nature of these findings. You know that everywhere this committee went, people flocked in numbers to urge, demand, entreat that something be done to relieve the shortage of homes for the low- and middle-income groups. Professional people, businessmen, clergymen, public-health specialists, elected officials, parents, veterans, women's organizations—they all come to these hearings and with an eloquence made possible only by a recognition of acute need, they asked the enactment of housing legislation. The joint committee accordingly issued a report which recommended legislation of substantially the same nature as the Taft-Ellender-Wagner bill.

As you gentlemen are aware, this bill passed the Senate in April, and the House Committee on Banking and Currency has been holding hearings on it since May 3. Should we adjourn without passing such legislation, my con-

stituents, and I am sure yours too, will ask one question. "Why were you unable to get a law passed that would put homes within the reach of people like us—people who do not have \$9,000 to spend on a house, or \$75 to \$90 to pay in rentals?"

The facts in my city show that this is a sound logical question. Yes, there is a lot of building going on. Some people even call it a boom. But look at the prices. The great majority of both new and old housing is selling for over \$9,000. Ninety percent—thing of it—90 percent of the new rentals range from \$70 to \$95 a month. And if you think that old rentals are any better, let me say that monthly surveys of the newspaper ads show that the average is \$75 for four rooms and \$85 for five rooms.

And even if the prices were right, it would require more than the present-day construction rate to take care of our housing needs. In Baltimore, approximately 40,000 families are living under doubled conditions, and more than 50,000 homes are below the standard accepted as necessary for decent, safe and healthy living. And here is something else. In my city, new families are being created at a much greater rate than new dwelling units.

Then, too, there is this special problem of the so-called over-income families, who are obliged to leave public housing projects because their incomes exceed the limit allowed to residents of subsidized housing. The local authorities have recognized that their first responsibility is to the low-income group for which public housing was originally intended, and have accordingly given these over-income families notices to move. The real-estate interests have been very vigilant on this point, but have they made it possible for these people—over-income only by public housing standards—to find decent homes within their means? They have not. And now, by their lobbying, they are trying to rob them of even the hope that these homes will be available in the foreseeable future.

I have not mentioned still another condition in Baltimore which cries for the relief which would be made possible by the Taft-Ellender-Wagner bill. I refer to the acres and acres of slums, where children have less than their birthright. It is against the poor people who live in these slums that the activities of the powerful real-estate lobby are particularly directed. If the provision which would give these people some relief from their misery—the public housing provision—were deleted, the real-estate interests would consider allowing the Taft-Ellender-Wagner bill to be passed. Of course, if the bill were passed without this provision, this Congress would have enacted legislation that gives housing aid to every group in the country, except the group in the country most in need of it.

Surely, gentlemen, the conditions that I have described are not peculiar to Baltimore. Perhaps I am more aware of them than many of you are, because I am only 45 miles away and therefore in practically daily contact with the terrible suffering that the housing shortage is

causing. But, again, I remind you, that the time is short, and your days of geographical isolation from your constituents are numbered. Soon you, too, will have to face the problems of a suffering community at first hand.

As I mentioned before, the House committee has been holding hearings on the Taft-Ellender-Wagner bill since May 3. This is the fifth time since 1941 that testimony on the need for housing legislation of the nature of the Taft-Ellender-Wagner bill has been heard. There cannot possibly be anything left to say. Therefore, I strongly urge the committee to conclude the hearings and report the bill out promptly, in order that this extremely necessary legislation may be acted upon by the House before adjournment.

(Mr. GARMATZ asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. PHILLIPS].

(Mr. PHILLIPS of California asked and was given permission to revise and extend his remarks.)

[Mr. PHILLIPS of California addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. SMITH].

(Mr. SMITH of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Wisconsin. Mr. Chairman, I have asked for this time to call attention to a paradoxical situation in the matter now before the Committee. The Bevin report, which was the first report on the so-called European recovery program and the one on which all the other reports are based, states on page 43 that—

A substantial and steady resumption of eastern European food, feeding stuffs, and timber supplies is assumed in this report; the prewar flow of cereals from eastern Europe is assumed to be restored by 1951, and the supplies of timber are assumed to reach 75 percent of prewar by 1951.

On page 112, we are told that—

The tentative estimate is based on a number of assumptions; these include * * * that an increasing part of the needs of the participating countries and western Germany can be obtained from eastern Europe.

And on page 118, we are again told that—

It has been assumed that an increasing proportion of the imports of participating countries will be obtained from eastern Europe and Asia and other nonparticipating areas in cases where they are traditional and economically efficient sources of supply. * * * The extent to which western Germany will be able to obtain foodstuffs from eastern Europe is of decisive importance in this connection.

Nowhere have I seen any denial that the whole so-called European recovery program is based on a resumption of the traditional trade between western Europe and the eastern Europe that is now behind the iron curtain. In fact, Paul Hoffman, the ECA Administrator, said

in his first press interview that trade between free Europe and the Russian satellites could be built up. Mr. W. Averell Harriman, his roving assistant at large, has been quoted as strongly favoring east-west trade in Europe, and told the New York Times correspondent that the necessity for it was recognized. Now, I do not want at this time to comment on the fact that this program was sold the American people on the premise that it was an anti-Communist program. Rather, I want to call attention to the small chance there is of the Soviet Union and its satellites cooperating in the goal of restoring east-west trade to prewar levels.

A subcommittee of the Committee on Foreign Affairs in a recent report on Strategy and Tactics of World Communism, reveals that the Soviet in its desire to build up its economic potential for war seeks at all costs to avoid dependency upon the external world. On page 40, this report states:

This policy of self-sufficiency, or autarchy, means a general inhibition of trading relationships, marked by the fact that Soviet foreign trade has never equaled the volume carried on by Czarist Russia.

It also states that—

International trade, from their point of view, is one of the necessary evils of the transition period between the victory of communism in Russia and the final victory of the revolution.

And that—

The Soviet role remains in essentials that of a cartel, with a profit-and-loss account calculated not in money but in power. * * * Shipments of Russian wheat in 1945 and since then have been clearly directed by political considerations.

If this is not sufficient authority to assure you that the Soviet will do all in its power to prevent the restoration of peaceful east-west trade relations, permit me to call your attention to the book *Cartels or Competition?* recently published by the Twentieth Century Fund. This book—page 387—finds that—

The conclusion appears inescapable that the chances are almost nil of overcoming Soviet intransigence toward a policy of integrating its collectivist economy with the semisocialistic economies of western Europe, and the mainly capitalistic economies of America. Soviet Russia probably will not cooperate to make a private enterprise, free-market system work more effectively. Significantly it has taken no part, even consultatively, in the United Nations Conference on Trade and Employment and has brusquely rejected the Marshall plan.

I submit, Mr. Chairman, that any recovery plan based on the resumption of normal east-west trade is bound to fall by its own weight. Before we squander any more of our resources we should re-examine the whole problem and resolve a plan based on a premise that holds water and is not dependent on Soviet cooperation.

Mr. CANNON. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. PEDEN].

Mr. PEDEN. Mr. Chairman, farmers of this Nation were called upon during the war years to produce more. They patriotically responded. Since the end of the war, the call has again gone out to

the farmers of this Nation to produce more in order that we may feed the hungry people of the world. Every effort is being made to fulfill this challenge. Grassland has been plowed and put into wheat. Every available acre is now in production.

The production of food and fiber in such great quantities by the farmers has not been easy and is the result of long hours at hard work.

During all of these years, however, there has been a continuing problem of how to get equipment with which to farm. The shortage of tractors, combines, and so forth, has been critical for some time and there seems to be no relief in the immediate future.

The war saw much of the material and industry for making farm equipment diverted into the war effort. The farmer satisfied himself with repairing his old implements and tractors by saying to himself that it was necessary to give the boys adequate equipment for winning the war. But with the close of hostilities, there still remain these critical shortages of farm equipment. Much of the equipment now used on the farms of this Nation has been repaired for so long that it is completely worn out. There is the continuing demand of our farm people for necessary equipment in order to adequately maintain the necessary production of food and fiber for this Nation and the world.

Today, we have under consideration the foreign-aid appropriation bill, which provides the funds for the so-called Marshall plan and for other foreign aid. Testimony shows that the ECA proposes to spend over \$100,000,000 for the purchase and export of farm machinery from this country. The bill itself places no limitation on the amount of farm equipment that can be purchased and exported to the various European countries involved in this recovery program. Apparently, the sole judge for the amount to be exported under the ECA is the Administrator. The hearings before the Appropriations Committee tells too aptly the confusion and lack of knowledge by the ECA authorities to permit their unlimited authority in the purchase and export of these critically needed implements.

This expenditure by our Government in purchasing and exporting this farm machinery will, in effect, continue, if not increase, the shortages of farm equipment so badly needed here at home. Mr. Chairman, in my opinion, this is wrong. We must place a specific limitation in this bill in order to assure sufficient quantities of farm implements for domestic use. We cannot give to the Administrator of the ECA unlimited authority in the purchase and export of farm machinery from this country. Without amendment to this measure, he will have such unlimited authority; and we can well know, by reading the hearings that those in charge of the ECA are not at all familiar with the needs in Europe or as to the needs here at home, as far as farm implements are concerned.

It is true that this appropriation and the European recovery program have as their purpose the rehabilitation of cer-

tain countries in Europe. It is further true that their recovery means much to world recovery and world peace; but it is not true that this expenditure for farm implements is essential to the recovery of European agriculture. It will not contribute to the increase of European farm production.

During the war, I had occasion to observe these European countries involved in the ECA and their methods of farming. In brief, the farming methods of the European farmer are a far cry from those used in this country. For purposes of this appropriation bill, we cannot assume European agriculture the same as that in this country nor can we assume their methods to be the same.

In the first place, the farms are small in size averaging 20 acres. Historically, the small tracts have been farmed with hand-operated and animal-drawn implements. Modern power-driven farm machinery is unknown to the average European farmer. It will take a complete educational program for a number of years to educate the European farmers to modern methods of farming with tractors, combines, and so forth. In fact, it will perhaps be a new generation in Europe before their methods of farming are discarded for those of this country.

Another argument against the export of this farm machinery is its inadaptability to European economy. At present, in all of these participating countries, oil and gasoline are scarce commodities sold at a high premium. In fact, it is necessary under the ECA to supply oil and gasoline for these countries. To reorganize farm methods in Europe by adapting them to oil and gasoline consuming power-driven machinery adds a further drain upon the world short supply of oil. In other words, we are attempting to convert European agriculture from that of horse drawn to that of modern mechanized farming. In this regard, I should like to point out the testimony on this bill to show how far we are going with this measure:

Mr. WIGGLESWORTH. Has this Department satisfied itself that this change-over, from animals to mechanization, is both practicable and economical in terms of oil supply and gasoline supply?

Mr. BECK. I understand, for example, on the question of distribution—

Mr. WIGGLESWORTH. Can you not answer that question "Yes" or "No," Mr. Beck?

Mr. BECK. It has been thoroughly considered; yes.

Further, there is a complete lack of know-how in the repair of this equipment. Most observers from Europe will tell you that there are no mechanics schooled in the know-how of maintaining this equipment and, in fact, a complete lack of interest in modern methods of farming with power-driven machinery. This is further complicated by the necessity of supplying all types of repairs and parts, which are also in scarce supply in this country.

It must be remembered, in the light of this discussion, that labor is in abundance in Europe. The equipment that is to be exported under the money provided by this appropriation bill is labor-

saving and will further complicate European recovery by creating unemployment on the farms in Europe.

In this country, we well know that farm labor is scarce, thereby causing a greater demand for all labor-saving methods of farming.

We cannot accomplish the desired results of rebuilding Europe by trying to impose upon them a new type of economy which, historically, is unknown. We cannot rebuild their farm economy to one geared on the consumption of oil and gasoline, which is in such short supply. We cannot rebuild their economy by creating additional unemployment rather than furnishing employment.

The American farmer is in serious need of this farm machinery, which we propose to export to Europe. In fact, the "gray" markets and shortages in this country became so serious that some few months ago the House Committee on Agriculture held extensive hearings to find some solution. These hearings, although not yet printed, did show that American agriculture is laboring under a handicap of insufficient equipment, particularly tractors and combines.

This appropriation bill must be limited so that we will supply only those hand-operated and animal-drawn implements as are necessary. This will furnish all the needed equipment for European agriculture as they know it and desire it. To reduce this appropriation bill to provide only this type of equipment for Europe will not affect Europe's farm production. It will, however, help in providing the American farmer with adequate implements and machinery in the production of food and fiber.

(Mr. PEDEN asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, in the two newspapers I happened to read this morning, one from Washington and one published in my native city of New York, I found not only in the news columns but in the editorial pages the most violent, intemperate, unjustifiable, and misrepresentative comments upon the distinguished and devoted chairman of this committee and his colleagues, of whom I have the honor to be one, in connection with reporting out this bill.

What those scholars sitting in their cloistered editorial rooms did not tell their readers—deliberately did not tell their readers—is what has happened since the authorization bill passed this House on the 31st day of March.

If you will recall, when this bill was on the floor at the other end of the Capitol its sponsor, the distinguished Senator from Michigan [Mr. VANDENBERG], made this representation, a representation that was at the very foundation of the ERP bill and the program of publicity to convince the country of the necessity for it. Said he, in substance, "The Secretary of Defense, the Secretary of the Army, and others, appeared before our committee and stated 'If you do not give us some such program as the ERP program we shall feel obliged to make requests for

additional heavy appropriations for national defense'."

Let us see what has happened since then. Four billion dollars additional appropriations have been requested and granted by the Congress for the Army and Navy and Air Force bringing the total to some \$14,000,000,000. Additional other items in the name of national defense bring the total sum appropriated or authorized since this authorization bill was passed up to \$5,200,000,000. Of course, against that the reduction in this bill in the total requested for foreign aid is small indeed. It is only 20 percent of the total increase imposed upon the Treasury of the United States and the people of the United States in the name of national defense and despite representations that no such increases would be requested. What else could the subcommittee of the Committee on Appropriations, which was responsible in the first instance for this bill, do? Bear in mind the enormous increased demands from military and national defense sources. It had to reconcile all the demands upon a limited Treasury and a limited national economy. That is what they tried to do in this bill. They have brought you a bill having in mind all of the other enormous conflicting demands upon the American economy. In doing it, I think they are to be congratulated. They have reconciled difficult, burdensome, and necessary demands. They have nonetheless appropriated in this bill an enormous figure—\$6,000,000,000 of American goods and American services for foreign relief. I think this bill should be sustained and sincerely trust that it will be.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Massachusetts, Mrs. ROGERS.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I think the chairman of the committee is to be congratulated for investigating what is being done with this relief money. I would like to remind the Committee that \$900,000,000 was appropriated for tobacco. I mention just this one item which has been scheduled in this program. Six hundred millions would more than cover the legislation for our disabled that our Committee on Veterans' Affairs has passed and is on the calendar awaiting action by the House. Legislation for our disabled veterans has been held up, as well as for our widows and orphans, because of the large relief appropriations that we are making. The people of the United States and particularly our veterans do not wish, and will not countenance, our throwing money away where it is not needed abroad.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. NICHOLSON. Where will this money that we are appropriating come from? I would like to know if we have a foundation for spending \$6,000,000,000. What do we have in back of us? Perhaps

that is too much of a question for the gentleman from Wisconsin, but I would like to have his reply.

Mr. KEEFE. I thank the gentleman for propounding that inquiry. My answer is very simple. The money to finance this program will come from the same sources that money to finance every appropriation comes from; and that means it is going to come out of taxes that are levied upon the people of the United States of America. Make no mistake about that. That is an elementary, simple fact.

Mr. Chairman, and my colleagues of the Congress, I happen to be one of those Members who has been from time to time denounced in certain quarters as an isolationist prior to Pearl Harbor. That has been hurled at many Members of Congress—extreme nationalists, unable to have the international point of view, and so forth, and so forth, and so forth.

Well, I have lived through 10 years of that sort of thing. It is the most amazing thing to me now to pick up newspapers and books and publications and read the confessions that are being made out of the memoirs of Harry Hopkins, the recent statements of Robert Sherwood, and all the rest of those people that are now, for the first time telling the American people the truth about what happened prior to Pearl Harbor. And they are getting paid for it, and they are getting big money for writing their so-called memoirs. I sometimes wonder why those people who were then in authority did not then come before the Congress to tell the Congress and the American people the truths that they are now uttering.

In the period prior to 1941, as a Member of Congress, I voted the honest convictions which I then had, based upon facts that were available to the Members of Congress and to the American people. I have no excuses for any vote that I cast. As many of you did, I tried to keep this country out of war, but the American people went to war. They went to war when they were praying for peace. I do not need to allude with any great particularity to the results that now face us.

But if I claim anything, I claim to be a realist, and when I am confronted with facts and the truth and unassailable information that convinces me that the welfare of my own country is involved and is at stake, I am willing to forget some of the water that has passed over the dam, and only turn my eyes backward in order that I may obtain some guidance for future action that is now demanded.

So, when they came before Congress and asked for the Greek-Turkish aid program, I stood in the well of this House and supported that program and told the Congress and the people the truth. You were not told the truth by those in authority. You were told of the bleeding hearts and suffering people in Greece, of the tuberculosis and syphilis and disease and hungry and starving people. That program was sold to the great heart and soul and charity of the people of America, when you knew and they knew that that was only a mere bagatelle of the real program. I told you I was sup-

porting that program, and I told my people I was supporting that program, and I told audiences all over this country that the reason I supported that program then was because I believed, on the basis of the facts that were available to me as a Member of Congress, that the interests of my own country demanded that we take the steps which we took. Congress authorized that program, and we have had pretty nearly a year of it now and have had some chance to appraise it. We gave \$400,000,000 to Greece and Turkey, \$300,000,000 of it to Greece and \$100,000,000 of it to Turkey. There was not a dollar's worth of relief for Turkey. The whole \$100,000,000 went for arms and ammunition, guns, and implements of war. What about the \$300,000,000 to Greece? Why, the relief program in Greece paled into insignificance and we have heard nothing more about the sickness and the disease and the distress. The thing has been stripped of all that verbiage and we can now view the situation as it is. We are in Greece maintaining and supporting and building an army and furnishing untold millions of dollars of military supplies, and building military roads and means of communications. Why? To meet the threat that those in authority saw emanating from the threatened march of communism down through Greece that would ultimately affect your country and mine. And I am proud to tell my people, as I have told them, the overwhelming majority of whom were opposed to this whole thing, that at long last I was proud to see that my country had finally, at long last, taken a position and said to Mr. Stalin: "Here is where you stop. You go no farther." But I never was naive enough to believe that it was Uncle Sam dressed in the flowing robes of white charity spreading charity over there. My concept was of a fearless Uncle Sam at long last standing up for the rights of America against this rush of communism. And so I was proud to support that, and I did.

They had \$300,000,000, and the evidence before our committee is that they have not been able yet to spend that \$300,000,000 over in Greece. As I recall the figures there was about \$140,000,000 unobligated as of the 31st of May of this year. When we deal in hundreds of millions and billions of dollars, Mr. Chairman, we are dealing in sums that not one Member of the Congress can even comprehend; and these people who so glibly get up here and talk about restoring these funds and putting it on a 12 months' basis instead of 15 simply do not know what they are talking about. And that goes for everybody who is hearing the sound of my voice, and I think that includes almost everybody. They just do not know how much a billion is, and they have no idea as to what \$4,000,000,000 is. That is a lot of money in my book. It is true that the Congress passed this authorizing legislation and the gentleman from Missouri would take the position that the Congress having passed that authorizing legislation we are in duty bound to just write a blank check to ECA and say, "Here, take it and spend it." I have his words in the RECORD where he says so and I will read them at

the proper time and show you the circumlocution of thought that sometimes is indulged in. You will remember, Mr. Chairman, during the debate on that bill, there was a very wide diversity of opinion. I remember in presenting the matter in the well of this House I said that I was going to vote for this authorization but was doing so with the assurance that the Appropriations Committee was going to examine into every item of this estimate when it came up. Did you hear that? Why, I could name 50 Members of Congress who voted for that authorization legislation on the assurance of the chairman of the Appropriations Committee that we were going to make a minute examination of these estimates. So we went to work.

What did we have before us? We had before us in the initial stages the same sort of material that was gotten together by the State Department and submitted to the Committee on Foreign Affairs. What did it amount to in essence and substance? Simply this: Mr. Hoffman is an honest man; Mr. Hoffman is a good man; Mr. Hoffman is a good administrator; Mr. Hoffman is a businessman; and he is going to give you a good administration of this money. Now, you give us the money and we will see that a good job is done.

That is all there is to it. You can run through all these hearings, taking weeks of time, and when you sum it all up, that is the attitude. Why do I say that? Because you will find that the estimates which were submitted, while they appeared to be meticulous in character, when you went into them and tried to break them down, inevitably there would be the answer of the witness who sat across the table: "Oh, but, gentlemen, these are merely tentative. We cannot give you positive figures. They are subject to change without notice. This may or may not be the program. We cannot tell you how much we are going to give by way of loans; we cannot tell you how much we are going to give by way of grants. We do not know what the crop conditions are going to be in Europe; we do not know what the production is going to be there. We do not know what the coal production will be over there; we cannot tell you what the production is going to be in America with certainty. There are so many hundreds of imponderables which enter into the situation that all I can do is give you a rounded survey of the situation as we see it. Then you trust us to do the job."

I can point to place after place in the record where that situation developed.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman the balance of the time on this side.

Mr. KEEFE. Mr. Chairman, I wish I could talk about this thing for two hours in order to thoroughly explore the intricacies involved.

Let me tell you one thing. If you will read these hearings you will find the gentleman who is now speaking asked this question time and time again: "What is the purpose of this program?" And the answer inevitably would be, "The purpose is to insure the recovery of the

participating nations to a level that will enable them to maintain exports sufficient to achieve dollars by which they can maintain themselves."

Then I asked the question time and time and time again: "What is the level, the target at which you are shooting? Are you expecting to bring these countries back to the level of production of 1939? 1940? 1941? What is the level of production? What is the target? So that you can say to the American people, 'We have achieved that level of production. Now we are able to pull out and get these countries off our backs.'"

Could I get an answer to that question? I could not. You can read these hearings from one end to the other and you will not find an answer.

Now let me indicate with some illustrations just what I mean. When these figures were produced they were based on estimates of production of food in those participating countries as the estimates then existed. And they were mighty low. They had a pretty bad winter bill over there a year ago; you know that. Well, by the time we had gotten along with our hearings they had a lot of new estimates and they showed prospective increases of food production in Europe from 25 to 30 and 35 percent. Then I asked the question: The figures indicate that most all of these nations have achieved a 100-percent level of production except Germany. Now, if they have an increased farm production, could not we reduce the amount of this appropriation for the purchase of food at least by the amount of the increased production in those countries above the figures as you estimated them in these hearings? Oh, no, no; that increased production, plus all we intend to give them, must be used to further increase the standard of living in these nations abroad.

So, when you get down to it at the present time, so far as I am able to interpret this record, we are in this program as far as anybody can see for the unpredictable future. Believe me, the American people are going to know it when they keep continuing to pay the taxes that are levied upon them and when the cost of living continues to be maintained at the level it is now.

Does that mean I am going to oppose this program? It does not. But, it does mean that as a member of this subcommittee I am not going to place a single dollar in the hands of Mr. Hoffman or anyone else for expenditure under this program beyond what the majority of the committee, who have diligently applied themselves to this program, believe is absolutely the essential amount of money necessary to rehabilitate those countries, and if I were to do anything else, if I were to just simply do away with my responsibility as a Member of the Congress, simply abdicate as a Member of the Congress as some of the great minds would seem to indicate we should do, make no further inquiry at all, just give them what they ask for, turn it over to them, and then have great eulogies of the gentleman from Michigan [Mr. HOFFMAN] and everybody else as the only

basis for the appropriation, I would want to resign and get out of Congress, and I would not want to stand for reelection.

I want you men and women of the Congress to know that I take this job seriously; I, perhaps, take it too seriously. But I am thinking of my country. We cannot live in a world where the biggest part of it is in misery; we have got to help. It is in our own interest to help and it is on that basis that I am supporting this program, and it is on that basis, thinking of my country, that I am supporting the action of the committee, and so voted in not providing a dollar of funds more than is necessary to carry on this program. They cannot spend the money legitimately that we propose to give them under this bill. They cannot do it without riotous waste. They cannot do it without throwing away the taxpayers' dollar. The money that we have given them, my colleagues, will enable this program to go forward, and you need not expect the dire results that were predicted by the gentleman from Missouri who, in one breath talks of economy, and in the next breath says we ought to just stop hearings and give them everything they ask, not only for this year, but for the entire 4½ years, and not even ask a question about it.

I do not conceive that to be my responsibility as a Member of Congress, and whether I am here next year or for the next 10 years I am going to assume my responsibility as a member of the Committee on Appropriations and scan every one of these items, and that is what your people expect you to do, and that is what you expect the Committee on Appropriations to do.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, in the interest of conserving time I shall not speak at much length, but I do want to supplement the remarks I made earlier in the afternoon in a few particulars.

In the first place, it has been stated that the European countries did not request any cotton. The committee hearings clearly show that the European countries did request cotton. I cite pages 369, 370, and 371 of the hearings.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. CASE of South Dakota. I think the gentleman perhaps misunderstood. I said the cotton was not requested as cotton. It was under the miscellaneous category.

Mr. MAHON. Yes; that is right. It was requested along with a number of other items in the miscellaneous category. Mr. Nitze pointed out that in dollars the total amount included in our estimate is \$790,000,000. That is for a 15-month period. I thought that point ought to be made clear.

Mr. CASE of South Dakota. However, it should be pointed out that while the cotton was supposed to be covered under miscellaneous, when I asked Mr. Northrup I said, "In what amount?" And Mr.

Northrup said, "That we do not know." So obviously to ask for cotton under the head of miscellaneous and not to specify in what amount left it up in the air.

Mr. MAHON. That was the testimony of Mr. Northrup, but it is later supplemented showing definitely the amount of money requested for cotton. Of course, it is unthinkable that the European countries have not been interested in some amount of cotton.

Other statements have been made with respect to the fact that cotton has gone up in price at this season of the year. I do not have time to speak at length on that subject but I wish to submit the following statement for printing in the RECORD that has been prepared by a representative of the cotton industry at my request.

The statement follows:

STATEMENT ON COTTON

During the course of consideration by the committee, and by the Congress, of appropriations for the Economic Cooperation Administration, certain individuals have seen fit to attack the cotton industry of this country, as well as the part that cotton is scheduled to play in the recovery program.

There have been implications that the price of cotton is too high, that the market has risen unduly within recent weeks, that speculators are cornering the market and that the taxpayers' money that will be spent on this program is in jeopardy, so far as cotton is concerned.

It occurs to me that such an attitude reflects a complete misunderstanding of the actual facts involved. Let us take a look at these facts and then see for ourselves whether or not the implications are justified.

The price of cotton today is actually no higher than it was last year. Ten designated spot markets yesterday averaged 37.63 cents per pound whereas the July average for 1947 was 37.52 cents, which is approximately the same. Spot prices in June were up to 37.79 cents and in July up to 39.35 cents last year. The price which should be considered is not the price today on the old crop, most of which has been sold, but the price now in effect on the new crop which is soon to be harvested. Last night, June 3, 1948, October futures closed at 33.49 cents and March futures at 32.67 cents. These prices indicate the coming crop will be worth 3½ to 4½ cents per pound less than today's market.

October futures at 33.49 cents per pound are actually one-half cent per pound below the current parity of 34 cents per pound, on the basis of 1½¹⁶ middling cotton. May futures at 32.67 cents are 1.33 cents per pound under parity. All these prices are less than the average price for the 1946-47 crop which was 34.82 cents per pound and less than the average of the prices so far during this season of 34.19 cents per pound. Corn futures for September are 35 percent above parity whereas wheat for the same period is 5 percent above parity.

Furthermore, the May futures prices are less than 2 cents above the estimated loan rate for cotton of 30.82 cents for the 1947-48 crop. What we are afraid of is that any reduction in export prospects may break prices on the new crop down to the loan level and result in accumulation.

Now about supply. Some people have said that the ECA is going to reduce supplies in this country to a dangerous level. This is certainly not true for cotton. It now looks like we are going to carry over about 3,000,000 bales as of the 1st of August and, according to present crop prospects, it appears we may easily produce about 13,000,000 bales, which

would give us a supply of 16,000,000 bales. Domestic consumption in this country next year will probably be about 8,750,000 bales which means that our supply will be almost double domestic consumption. Even allowing 2,750,000 bales for working stocks, there would still be about 4,500,000 bales available for export. Under full ECA, plus other sales, we would not export more than 3,250,000 bales.

There is certainly no question about stocks in this country being ample. We are all afraid that these cotton stock will be so large that they will break prices to the loan level. Even with the full appropriations under ECA we would probably add about three-fourths of a million bales to our carry-over. If the ECA funds are cut 25 percent as they are now proposing, this would reduce our exports by 700,000 bales which means that instead of adding three-fourths of a million bales to our surplus we would add about one and a half million bales to our surplus. There is no doubt in my mind but that this added surplus would reduce prices to the loan level and result in the accumulation of one to two million bales of cotton in the Government loan. If we start accumulating cotton in the Government loans again we will inevitably return to production control programs which I am sure we would all like to avoid. By maintaining a full ECA program we may be able to avoid it.

Now as to the question of whether this amount of cotton is necessary to meet the requirements under the Marshall plan and the China aid plan. The United States is proposing to supply only about 40 percent of the total cotton requirements of the Marshall-plan countries, assuming that these countries will be able to get 60 percent of their requirements from other countries of the world. But since the current crops in the other principal producing countries like Brazil and India have been very disappointing it now appears improbable that the Marshall-plan countries will be able to get 60 percent of their requirements from these other countries.

In other words, we think that the 2,500,000 bales which the United States is scheduled to supply to these countries will actually be much less than these countries will need from us for recovery.

In the case of China, we know that our supply will be far short of meeting their requirements. Estimates are that China will need about 1,200,000 bales of cotton during the next 14 months more than she can pay for with her own resources in order to continue the present rate of consumption. The full China-aid program would give her only about 360,000 bales toward this requirement, leaving a deficit of 840,000 bales for which no financing is available. The reduced China program would probably cut this to 300,000 bales. The textile industry of China is only running at only two-thirds of prewar and it is one of her major industries. These goods are absolutely necessary to prevent disease and unrest and to help rebuild the economy.

May I say that those who maintain that this bill will bring on some inflation speak truthfully. If you want to bring about a total collapse in the price of wheat in South Dakota and Texas and Nebraska and the price of corn and the price of many other agricultural commodities, if you want to bring about one of the greatest recessions in the market we have had for many, many years, if not in a generation, of course you would want to vote against this bill, because it is a fact that agricultural America will profit tremendously from the increased prices which are made possible by the

fact that we are disposing of our surpluses. I am not saying that I advocate this program as an American farm-relief program, I am just simply pointing out the fact that the use of our surplus products by the nations of the world is no small item in the prosperity of agricultural America, and there can be no real prosperity in America without prosperity in agriculture.

May I say further that those who are opposing the full budget estimates for the program because they do not know precisely what every dollar will be spent for should vote against the bill which came out of the committee, because it is not possible for those who administer this modified program to say precisely how this money will be expended. The money is to be expended in the light of the developments and as the program progresses. That is in accordance with the law which Congress passed. It is a wise situation, because we do not want to commit ourselves to spend money for certain programs and later find that it is unwise to make those expenditures, and then have to continue to expend the money. Everyone must admit that this is a broad program closely associated with our foreign policy. The total amounts required are not possible of exact determination. We have said we would make it a \$5,300,000,000 program. Let us follow through on the job which we have undertaken.

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

[Mr. CANNON addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. COUDERT asked and was granted permission to revise and extend his remarks.)

The CHAIRMAN. All time having expired, the Clerk will read.

The Clerk read as follows:

Be it enacted, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, namely:

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. For what purpose does the gentleman from Illinois rise?

Mr. DIRKSEN. To offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. CANNON. The minority is entitled to recognition to move to amend the bill.

The CHAIRMAN. Under the rules of the House, any member of the committee may offer an amendment, and it is in the discretion of the Chair as to which member shall be recognized. The Chair has recognized the gentleman from Illinois to offer an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 1, lines 5 and 6, strike out "June 30" and insert "April 3."

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

Mr. TABER. Mr. Chairman, reserving the right to object, frankly, I do not think the gentleman wants to offer this amendment at this point, because that is language which applies to numerous items in the bill. On some of them the budget estimate was submitted on a fiscal-year basis and on some of them the basis from April 3, 1948, to April 3, 1949. I would think if the gentleman wanted to accomplish what he seems to think he wants to accomplish he would offer the amendment to each of these sections as they were reached separately. If you do it this way it would destroy the effect of the items that are on a fiscal-year basis, anyway.

Mr. DIRKSEN. There is point in what the gentleman from New York says, except this: The language in that first section is "for foreign aid." Now, the general language applies to every title in the bill, and to make sure—

Mr. TABER. If you want to accomplish what I think you want to accomplish, you would offer the amendment on page 2 at line 1, June 30, to April 3. Then, do the same thing on China; and the other items are all on a fiscal-year basis, so that that original amendment was put in there so that it would cover everything before we come to discussing the other items.

Mr. DIRKSEN. I am glad the gentleman raised that question. I have another amendment to change the date in line 1 on page 2, but if the date on page 2 is changed, and it is not changed in the preliminary section of the bill, it would be easy indeed for some confusion to develop, because you would have a contradiction between the first paragraph and the first title of the bill.

Mr. TABER. Oh, no; because as soon as funds are not available for a larger period than the total of those that are on a fiscal-year basis would all be upset; the gentleman would upset the whole picture.

Mr. DIRKSEN. But this could be modified, and it is my intention to modify the others.

Mr. TABER. That is what the gentleman does by this amendment.

Mr. DIRKSEN. We could go back and modify it later. That could be modified later, but I wanted to be sure that there would be no contradiction.

Mr. TABER. This would just create confusion and disorder. I think under the circumstances I will simply object to the request that the gentleman have additional time because this is no place to do it.

Mr. DIRKSEN. If the gentleman will accede to the request I could take the time now and then take a briefer time, say 5 minutes, on page 2, because I think the issue could be drawn with respect—

Mr. TABER. There will be no issue except the issue of confusion that the gentleman is raising here.

Mr. DIRKSEN. But the other amendment is on the desk and that, of course, will clarify it because that will be offered to page 2.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, I believe the gentleman from Illinois will recall many bills in which a date might be applicable to a particular item with the bill so far as that item was concerned relating directly to it. The date does come in the next paragraph, but it would be a lesser period and certainly the language at the opening of the bill should be broad enough to cover all of the periods embraced within the bill, and there are some sections certainly, for instance, GARIOA, that are on a fiscal-year basis.

Mr. DIRKSEN. The proposition is generic because the date appears in the first section of the bill and one could argue with some degree of persuasion that while you changed ECA in a later section of the bill you did not change it in the first section of the bill which runs basically. So there is confusion as to the coverage.

Mr. CASE of South Dakota. I certainly do not agree with the gentleman. I think that his amendment here would create confusion by making it appear that the general clause which covers all of the items in the bill would limit their availability to the date of the gentleman's amendment.

Mr. DIRKSEN. If I could make clear what I have in mind, if the gentleman will accede to my request for additional time—

Mr. TABER. I think 5 minutes should be sufficient. I will be obliged to object.

The CHAIRMAN. Objection is heard. The gentleman from Illinois is recognized for 5 minutes.

Mr. DIRKSEN. Mr. Chairman, as soon as we read title I, I shall then offer the amendment in line 1 on page 2 to modify the date there. But it was for the purpose of being certain that there would be no confusion at all if it were offered it here, but that it would make for confusion if it were offered there. I do not ask for additional time on the other amendment, but it might be well to apprise the House now that I have in mind to restore this to a 12 months' program which will enlarge it and restore more than a billion dollars which in my judgment should be restored. The committee eliminated much more than a billion of ECA funds.

I have only two things with which to charge my conscience. One is peace and the other is freedom. We may get it by voting billions for national defense, and thus far over \$13,500,000,000 has gone across the floor of this House for national defense; but with all of that there will be no assurance of peace and there will be no assurance of relief from the armament burden which will by some estimates reach at least \$18,000,000,000 in fiscal 1952 unless we do achieve peace in the world and unless we do achieve freedom. On yesterday the Navy appropriation bill was before this body. There were 3 hours of general debate and only 1 hour and 30 minutes of that time was used. A unanimous-consent request was made from the floor and granted to consider the bill as read.

There were no amendments and the bill was adopted by a viva voce vote, and we approved very nearly in the twinkling of an eye \$3,800,000,000 for the Navy. We have done almost as well on the aircraft program and we have done almost as well for the Army Air Corps and for the Army. They will exceed something over \$13,000,000,000. Surely there must be $5\frac{1}{3}$ billion dollars in this country on a 12 months' basis to pursue the only thing that will relieve us from that burden. We approved ECA 2 months ago for purposes of economic aid, the stabilization of budgets abroad, the stimulation of the agricultural and industrial production, in the hope that the goal of recovery and peace may be achieved. That is the reason I am offering this amendment. I will offer the amendment later because I am confident that the one real hope of ECA will lie in the first 365 days.

It is 61 days ago today that the President signed the bill. Considerable progress has been made in that time. We set out the purposes and created an ECA administration. We found an administrator who is a distinguished businessman in the country and we told him we wanted him to operate this program.

I believe he ought to have a chance and I believe it is not asking too much to carry out the original authorization of \$5,300,000,000 on a 12 months' basis instead of a 15 months' basis so that the program of relief and recovery can be afforded. As the thing now stands, nearly \$2,500,000,000 is budgeted for food, seed, fertilizer and so forth, and when you take out this other expense and this amount that is in the bill at the present time should prevail, it would leave about \$1,000,000,000 for recovery.

If we do not do the recovery job in the first year, do not be fooled as to whether or not we are going to have this like a corpse on our backs for a good many years to come. So we ought to give the Administrator an opportunity, we ought to give him the money to make the try.

This estimate was predicated upon two rather well screened estimates, one by the Harriman committee and one by the International Bank committee; then comes this estimate that was submitted to the Appropriations Committee. I take off my hat to the gentleman from New York [Mr. TABER], and the members of his committee, for the hard, painstaking work they have done and I am reluctant to match judgment with him and to disagree with him, but it is a matter of conscience with me. I try to see the forest as well as the trees. I want ECA to have an opportunity to carry out the purposes and objectives that have been recited in the basic act. If we fail in the first year we shall fail for good. Perhaps we need not worry about the expenditure that will come in the days ahead. So, presently I shall offer this amendment on page 2 in the hope maybe I can explain it a little more fully.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. TABER. Mr. Chairman, may I ask the gentleman if he withdraws the amendment at this time?

Mr. DIRKSEN. Mr. Chairman, if there is going to be no confusion about

it I shall withdraw the amendment at this point, not to disarrange the schedules that are on a fiscal year basis, then offer it on page 2. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 1, line 6, after the word "purposes", strike out the comma and the word "namely" and insert "on condition, however, that no moneys authorized for appropriation hereunder shall be paid or credited to any country which participates in or aids in acts of aggression, such acts of aggression to be determined by proclamation by the President of the United States, namely."

Mr. TABER. Mr. Chairman, I make a point of order against the amendment that it is legislation on an appropriation bill and that it is not in order at this point in the bill and not germane.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. CELLER. I agree to the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is sustained.

Mr. CELLER. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 1, line 6, after the word "purposes", strike out the comma and the word "namely" and insert "but no funds made available under the authority of this Act shall be paid or credited to Great Britain, namely."

Mr. TABER. Mr. Chairman, I make the point of order that the amendment is not in order at this point in the bill.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. CELLER. I do, Mr. Chairman.

This is a very broad, composite, omnibus appropriation bill. It supplements, as I understand, the Foreign Assistance Act of 1944, particularly title I of that act, which is commonly called the Economic Cooperation Act of 1948. It embraces many diverse acts of Congress, covers many diverse subjects, and therefore no narrow interpretation of its words should prevail.

For that reason, Mr. Chairman, I submit that the amendment is in order.

The CHAIRMAN. The Chair is ready to rule. The paragraph to which the gentleman from New York offers an amendment relates to the general provisions regarding the sums carried in the various titles and paragraphs in the bill. The amendment offered by the gentleman from New York relates to the appropriation of specific funds. The Chair feels that the amendment is not germane to this particular paragraph, and therefore sustains the point of order.

The Clerk read as follows:

TITLE I

ECONOMIC COOPERATION

For expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948 (title I of Public Law 472, approved April 3, 1948) until June 30, 1949, including

expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$30,000); purchase (not to exceed 40 including 1 at not to exceed \$8,000) and hire of passenger motor vehicles; payment of claims pursuant to section 403 of the Federal Tort Claim Act (28 U. S. C. 921); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$50,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$4,000,000,000, of which not to exceed \$200,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein certified: *Provided*, That not to exceed \$68,000,000 may be expended for administrative and other expenses including not to exceed \$10,000,000 for direct administration and not to exceed \$10,000,000 for guaranties of investments in enterprises producing or distributing informational media provided for under section 111 (b) (3) of the Economic Cooperation Act of 1948: *Provided further*, That not less than 10 percent of each special local currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 shall be allocated to the use of the United States Government for expenditure for strategic materials or other local currency requirements of the United States of America: *Provided further*, That allocations of funds provided pursuant to provisions of the Economic Cooperation Act of 1948 for Austria and any country under occupation by forces of the United States shall be made to the United States Military Government of such countries for administrative and other expenses: *And provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in Japan, Korea, and the Ryukyus in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 2, line 1, strike out "June 30" and insert "April 3."

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, at the outset let me apologize to my good friend from Missouri for any untoward and any unseemly conduct on my part on this floor today. Certainly I bear him no animus, and I will strike from the RECORD any personal allusion I made.

To the gentleman from New York [Mr. TABER] I want to pay testimony for a tremendous job done on this bill, and it is with some reluctance that I offer this amendment. While I find myself in disagreement with him, it does not diminish my affection for him or for other members of that committee. I served on the subcommittee on deficiencies for a number of years, and I can testify out of an abiding experience what a difficult undertaking this really is. So it is with something of apology in my heart to you, feeling that I must do this, that I offer this

amendment to reduce this from a 15 months to a 12 months basis and bring it more nearly within the lines of the authorization Act which passed some months ago.

As you know, the committee has put this on a 12 months' basis; namely, \$4,000,000,000. The net result is that in excess of \$1,000,000,000 of available money has been taken out of this bill. That might be 20 percent or 25 percent, but whatever it is, it is a very substantial amount.

Various reasons have been assigned for that action. Number one, that the matter ought to have some study, and that they could return some time after the turn of the year for additional funds. But do not forget that ECA, if it gets an appropriation for 15 months, must make its plan upon a 5-quarter basis, and it must distribute its available money accordingly. So in the event that something should happen after the first of the year, and who knows whether it will happen or not, it would be difficult, perhaps, to integrate that money into the plan that had to be laid down; and if this is the will of Congress, that plan has to be foreshortened very materially. So while they can come back, there is no assurance that they are going to get the money, and no assurance that it is going to do the proper job.

I am interested in making this successful the first year. That is the key. The people in the impoverished countries are looking at us today. I have seen some of the dispatches that have come from abroad this morning, the headlines that appeared in the German papers, in the Norwegian papers, in the papers of Athens, and elsewhere, and discounting, of course, their ambition and their anxiety to get more dollars out of the American Treasury, the fact of the matter is that already the action of the committee has been something of a blow to morale. They are seeking to make out the sentiment that was expressed by Mr. Zhdanov before the Poles in September of last year and by Mr. Molotov, that the American people and the American Congress did not mean business on this aid program, and that it was nothing more than a wash promise that would not be fulfilled. So the first year is the important year for us. It would be far better to strike it off next year or the year after. If this plan is still in effect, it will stretch it out. The theory is, of course, to provide relief and at the same time a concurrent program of recovery, to diminish the relief program and then place the emphasis upon the recovery program.

The money that is left in this bill because of the commitments for relief and for food and fertilizer and seed, which cannot be well diminished and which will require more money if prices go up, will not be enough to institute the kind of a recovery program that we envisioned when we passed this bill 2 months ago. It will leave Germany pretty flat. I have heard discussions about food here today, that production is up, and I am glad it is, but do not be unaware of the fact—

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. The gentleman mentioned Germany. Of course, Germany is primarily provided for in the GARIOA funds, which are already on a fiscal year basis.

Mr. DIRKSEN. Yes, that I know. But the \$437,000,000 that was earmarked for Germany will be diminished, for one thing, and there will not be the \$250,000,000 additional funds that General Draper asked for in order to do the job for Germany, which is the key of recovery and peace over in the Old World at the present time.

It has been said there have been better crops. I am glad of it. The food production in Germany is about 1,050 calories a day for the people. In one breath we say, "They ought to go to work," but in the other breath we are not so sure that we are going to provide the wherewithal to go to work, and that means food. The average workingman in America who does hard work has to have 4,500 calories a day. People abroad will be fortunate to obtain one-half of that amount. In addition to all that, there has been mass edema in Germany and elsewhere, and they say it will be many years before those bodies can be built up so that they can do a whole day's work. So I am not persuaded that because there has been an improvement in crop conditions over there that it is going to meet the problem for some time to come. Unless we restore some of these funds and put this on a 12-month basis, you will find that you will have left the key recovery country on the continent pretty nearly flat on its back. That to me is highly persuasive in reducing this from 15 months to 12 months and give those people an opportunity.

Further, consider the psychological and moral effect of this. Things are rather touch and go in France. Intelligence reports indicate a delicate situation. The reduction in funds by the committee could be just the gentle little shove that might precipitate a governmental crisis there. We moved James Dunn from Rome to Paris after the Italian situation was in reasonable order. Why? For a very good reason. That is the touchy spot today. There is a smile on the face of Thorez, the Communist leader in France at the present time. They have been working as against a very early date, and so if we are going to cut this now, and cut these appropriations back so that allocations to France will have to be seriously diminished, then she may say to herself, "Perhaps the American Congress does not mean business after all, and perhaps they are not going to fulfill these promises under the Marshall plan." I cannot think of a better weapon in the hands of those who would seek to destroy the freedom of the French Republic, and seek to give the Red Army and the forces of Thorez and the Communists the upper hand in that country. That is what is involved here. I do not say it will happen, but it could happen because the delicate fabric of peace is trembling in the balance at the present time. That is why my heart is in this business of restoring this fund and giving the Economic Cooperation Administration a very considerable chance.

Now then, we go back to these expenditures for security for the Army, Air Corps, and the Navy by the billions. That burden will be upon us and our children and our grandchildren and these appropriations for armaments will increase until in 1952, at the present rate, they will constitute nearly 50 percent of the annual budget that the Congress will pass on from year to year. How shall the American taxpayers be relieved of that burden? Solicitude has been expressed here for the taxpayers. I am equally interested in the taxpayers, and as I look down the road, I see that the real assurance for relief from this burden upon our people will be to spend the money that is necessary and make a sustained and durable effort to achieve the objective of peace that seems yet so far in the distance. It is more than 3 years after VE-day. Soon it will be 3 years after VJ-day. There is still no peace in the world, and more freedom has been liquidated since VE-day than was accomplished and achieved upon the battlefields of Europe. Are we so impoverished that we cannot go all out on this program and authorize within \$245,000,000 or more, the full amount that was authorized by a vote of 329 to 74 on the first day of April 1947? ECA has a good Administrator. The estimates they have submitted are as good as can be submitted. And should world conditions change, we have written latitude and flexibility into the authorizing act, so that they can change their program. Obviously they cannot come with something so firm that they can trace out every nickel, dime, and quarter of estimated expenditure. It simply cannot be done, and moreover, there will be qualifications and changes as the forces of recovery move on. I hope that we will undo this all too drastic reduction in funds and put this on a 12-month basis and give this great instrumentality of peace the one chance in the first year which will mean whether or not we shall succeed in our job of leadership in a bleeding and torn world.

Mr. TABER. Mr. Chairman, I am wondering if we could get an agreement as to how quickly we might be able to vote on this. I am wondering how many would like to speak.

Mr. CANNON of Missouri. I trust the gentleman will include in his request the matter which we discussed a moment ago, which will give the gentleman from Texas [Mr. RAYBURN] 15 minutes.

Mr. TABER. Yes. I had intended to do that. There are 12 Members standing. I do not think we will have any long amendments after that. I suggest that we close debate in 1 hour and 10 minutes, and that of that time the gentleman from Texas [Mr. RAYBURN] may have 15 minutes, and that all debate on this amendment, and all amendments thereto, close in 1 hour and 10 minutes.

Mr. HARNESS of Indiana. That does not close all debate on the bill?

Mr. TABER. No, it does not; just this amendment and all amendments thereto. As I understand it, there were 12 standing. That would give 5 minutes each to the others, 15 minutes to the gentleman

from Texas [Mr. RAYBURN] and the committee would have the closing.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

When this matter was before the Foreign Affairs Committee, I testified at that time with regard to the question of estimates of the amount that might be required in order to accomplish the objectives of the bill that was then pending before that committee. At that time I testified that I believed the total job could be done—and this was the total job—for roughly a half billion dollars less than the amount that was then being considered. This bill, however, cuts the amount away beyond any such figure.

In the report you will find there is a cut for the over-all picture in actual dollars of \$533,000,000. In addition to that, new responsibilities have been put into the program.

Mr. TABER. The cut is only \$245,000,000 on this item.

Mr. HERTER. That is on this item, but when I was testifying I was testifying with regard to the over-all foreign-aid program, including GARIOA, not alone this item, when I suggested the possibility of that cut. At the same time, however, I testified in almost the exact words which appear in the committee report. I am going to read two sentences of that report. This is the report of the Appropriations Committee itself:

It is admittedly impossible for anyone to state with any degree of assurance the actual needs of the participating countries within a billion dollars. World political and economic condition are still too unstable to permit of long-term estimates.

With that statement I fully agree and it is because of that impossibility for any human being to make an estimate at this time within a billion dollars that I prefer to stay on the safe side of this picture rather than on what to my mind might be called the unsafe side. We have undertaken a program of very great magnitude, a program of the utmost importance to the safety, to the future, not alone physical, of this country but of our institutions. We have undertaken this program not alone from a humanitarian point of view but because in this very unstable world we are convinced that the restoration, the economic restoration of the nations of Europe and to some extent the nations of the Far East is the most helpful factor to which we can lend ourselves for our own good in the long run.

This particular amendment puts back the period of time in which the appropriation is made available from a 15-month period to a 12-month period. It has been reiterated here over and over again that this amounts to a cut of \$1,000,000,000 in the program, but I warn you that that cut cannot come out of the relief side of the program but must come out of the reconstruction side of the pro-

gram. The relief side has to be taken care of first; merely keeping people alive on a reasonable standard of living. Reconstruction for the long run is what we are attempting because only reconstruction will allow these nations to stand on their own feet and maintain their present freedoms.

I am sorry that this matter has come up here. I have great respect for the members of the Appropriations Committee who have had a very hard task and are dealing with a tremendous number of intangibles in this program, but I think that the real problem that is facing us now is: Are we going to try to get this job done even though none of us can tell exactly how much it is going to cost? Are we going to stay on the safe side or are we going to take the risk of failure?

I hope, sir, this amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. KERSTEN].

Mr. KERSTEN of Wisconsin. Mr. Chairman, I rise in support of this amendment.

I ask the members of the Committee: If we were at war with Soviet Russia at this particular time would we hesitate in a matter of this kind? Would we economize to the extent of in any way endangering our program? I do not believe we would. I believe we would realize that it would be far better to err on the side of providing ample rather than on the side of giving too little. But, gentlemen, we are in a cold war. We definitely are in an economic war. Last November we recall the setting up of the Cominform in the Soviet satellite countries, with headquarters in Belgrade, Yugoslavia. Ever since that time the propaganda has been pouring forth from there and from Russia designed to wreck the effort of the United States to assist in the reconstruction of Europe. So, Mr. Chairman, we are in an economic war and we cannot consider this measure on the basis of ordinary international business relationships. The background of this entire problem is one of economic warfare and we should therefore be prepared to do the things that are necessary to win that economic war.

The psychology would be extremely bad if nothing else, if at this time we were to withdraw to the extent of 20 percent the help that was formally voted by this Congress.

Mr. Chairman, if you have been following the recent broadcasts from Russia and from its satellite countries that are put out day by day into Europe, Africa, China, Korea, and all over the world, you will realize what a real job is being done against the United States, a real job of hate against the United States by Soviet Russia and the satellite nations all over the world.

We would be giving them real ammunition by thus crippling the ERP. That is the thing we cannot afford to do. It is extremely important that we do not give them one single valid argument. The other day there came into my possession a series of newspapers published

in Belgrade, Yugoslavia—Cominform newspapers—every article in which was dedicated to the wrecking of the ERP, every article directed to the various countries of the world, satellite countries of Russia and others.

We must keep in mind that this is not just an ordinary business proposition. This is a proposition of economic warfare. We hope it will never go beyond that.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I heard the gentleman from Wisconsin say that they are producing 25 percent more in every one of these countries that we are helping. Is that wrong? Is the gentleman from Wisconsin telling us something that is not true?

Mr. KERSTEN of Wisconsin. I do not get the gentleman's point. I do not recall saying they were producing 25 percent more.

Mr. NICHOLSON. The other gentleman from Wisconsin [Mr. KEEFE] did.

Mr. KERSTEN of Wisconsin. That is very possible. I hope it is true. But they are so far down the ladder of economic necessity that they have a very long way to go before they are going to be able to stand on their own feet.

Finally, Mr. Chairman, may I say that if the job is not done this year, and within a very short time, the expenditures that will face this country will not only arithmetically increase but increase by the square and the cube, we will eventually become an armed camp if we do not defeat the effort of the Soviet Union and its satellite countries to wreck this European recovery plan.

I heartily support the pending amendment because it bears on the success of European reconstruction, which in turn bears upon the peace of the world. World War I cost us some 20 billions. World War II lost us 347 billions. Gentlemen the mind rebels at what an all-out world war III would cost. World war III must be the war that never was fought. The world cannot stand it. Russia is driving with all her power toward it. America is driving with all its power against it. This is a battle for the peace. I beg of you gentlemen not to cooperate with the Cominform by crippling or embarrassing the reconstruction of western Europe. In April we put our hands to the plow. Let us not stumble or look back. Let us not give ammunition to the Communist radios for the next few critical months when the life or death of world peace hangs in the balance. We are dealing here not only with money but with the lives of our children and our children's children. European recovery must not fail.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES. Mr. Chairman, I oppose the pending amendment that has the effect of increasing the amount of the appropriation almost a billion dollars. The amount of the entire appropriation for the 15 months is almost \$6,000,000,000.

Mr. Chairman, it seems to me that it is possible to reduce this appropriation by a considerable amount and do no harm at

all to anyone. You seem to forget the amount in this bill, by and large, will be charged to and paid by the taxpayers of this country.

There are some items in this legislation that can and should be trimmed. I don't believe there is any one member on the floor of this House who can really justify the expenditure of \$110,000,000 to buy tobacco for foreign people. There is no justification or excuse for it, except to get rid of a surplus of tobacco now in the hands of the Government. If this is an example, and I hope it is not, of the loose manner in which foreign-aid money is being spent, then we had better lock this problem over before we pass on it. Let us take a look and make some comparisons. This bill provides for spending \$110,000,000 for tobacco in the next 15 months. What about other items in the bill. According to the report you spend 117.9 million for sugar; which is little more than you are spending for tobacco. For meat you spend 83 6; so tobacco seems to be more important than meat; for dairy products you spend just a little more than tobacco; for eggs you spend 12 million; for dried fruits you spend 6.7 million. So tobacco is king in this bill. The Committee on Foreign Affairs tells us this money is for food, clothing, and housing. At the proper time I shall ask that the item of \$110,000,000 be stricken, unless someone else offers such amendment. If offered I will support it. Here is a chance to save several million dollars.

Mr. Chairman, there is another item that should be reduced by 90 percent. It is the item of approximately ninety million for farm tractors and heavy farm machinery. I shall expect to offer an amendment to reduce the item by 90 percent. Instead of spending \$90,000,000 for tractors, that the Europeans are not accustomed to operating, use about \$10,000,000 and you buy horses and mules, and some horse-drawn machinery. The farmers of Europe are not accustomed to use of tractors. They are impractical anyway. The average farm in France, Italy, England, and Germany is from 5 to 21 acres. Anyone who knows anything about farming knows that tractor farming on such farms is absolutely impractical. Did it ever occur to you these farms are very much diversified. Seems strange you are anxious to send tractors to Europe when they are needed here and of no practical use over there. It does give an outlet for sale of farm machinery but what about the American farmer who has waited 3, 4, and 5 years, and then has to let this new machinery be sent abroad where some additional horses and their own implements would do the work.

I have just read a report that there are hundreds of farm tractors that are rusting in fields of Poland because of lack of repairs and oil. The report further states the farmers of Poland just don't know how to run them.

Then there is another item. I just cannot see why we should send millions of tons of coal abroad. The idea of using taxpayers' funds to pay for coal to Britain does not make sense. The British have huge coal mines. What about making a deal to use coal from Poland?

What about the use of the coal in German mines? Shipment of a million and a half tons of coal per month from the United States is a lot of coal. Mr. Chairman, this measure provides for the shipment of millions of dollars worth of petroleum. We had better look that item over, too. There is a considerable amount of this appropriation to be spent for arms for other countries. Those items should be set out so the people may know how much money is going for arms and ammunition, and who is getting it.

Mr. Chairman, the mere fact that the Congress some time ago authorized a certain sum of money for European relief, is no reason why it should be spent without justification. I am very sure many millions of dollars can be pared from this bill, and at the same time carry on a relief program in cooperation with countries who are willing to cooperate with America in bringing relief to a stricken world.

(Mr. REES asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, some time ago I was one of a number of more than 300 for, as against a small number who voted in opposition, who believed that one of the best efforts and the most efficient means that we could employ to preserve the peace of the world was to vote for that authorization, which made a declaration of purpose and faith, that by economic aid to the peoples of the world who were suffering and not able to stand on their feet we could contribute more to the preservation of peace in the world and the avoiding of war than any other way. And that this was the most sensible approach to make to the matter at hand. Having a recollection of what I did, I could not see that I would be justified in taking a chance to nullify that step that was taken by the Congress of the United States, through the reduction of appropriations below that which so many felt would be necessary to do the job. I say this with the highest admiration for the gentlemen of the committee and the subcommittee who, with great pains and great patriotism, undertook to see where they could save this country and the people of this country a given amount of money. I take my hat off to the chairman of the Committee on Appropriations and those who worked with him, who worked more than a month, not with any fancy of a profligate idea of reduction, but to see where reductions could honestly and safely be made.

The report came in and it increased the time by 3 months over the time for which this original amount had been thought necessary. I am afraid that that is a dangerous reduction. I cannot afford to take a chance on this most important matter. I want it to develop that the appropriations that we have made for large expenditures for the Army and the Navy and the Air Force shall be found to be unnecessary finally to be expended; that by efforts of this sort in which we are

engaged today we may contribute so much to the peace of the world that the necessity of the use of these weapons will never come.

I hope in this connection that those gentlemen who are undertaking to, and will with great fidelity, I am sure, administer this program, will admonish the government of Greece and the government of China that we have a right to ask them to help us by making their countries democratic countries, realizing the value of a human being and the individual, every one of them of the millions of people that are in those two countries. We have the right to ask them to help us to avoid war and to establish peace and good will on the earth. This they can do by wise democratic action, and the fair treatment of the people within those governments.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I have sat here all afternoon and have heard a great deal said about the peoples of China and the rest of the earth, and heard a great deal of very proper concern expressed about them in connection with raising their standard of living and rehabilitating them and starting them on their way to a peaceful, happy, prosperous world. That is all magnificent. It is a splendid objective upon which we are all agreed. It is the objective the world has pursued for 2,000 years not entirely successfully. I have yet, however, to hear a word from anyone here about those poor beasts of burden who are going to carry the bag for this and all the other expenses this Congress is impossibly pouring on their shoulders, and I refer to those poor devils who work 8 hours a day from one end of the United States to the other, and pay their taxes and pay them and pay them and pay them.

In making our appropriations and in passing our authorization bills, they are sometimes the last fellows that are thought of. The members of the Committee on Appropriations, however, have the job, and no one else in Congress has that job, to try to reconcile the demands that are going to be made and that are made, and the burden which falls upon the American citizens who pay the taxes with the sweat of their brows.

Let me suggest to my fellow Members that when we leave here we are going back home among our constituents. We are going to be there when the prices rise, when the effect of this appropriation and the \$5,000,000,000 additional Army, Navy, and other appropriations, makes itself felt in the price level and in the scarcities; and we are going to be responsible. All your Committee on Appropriations has done has been to try to spare the country, and Members of Congress, to a small extent from the inescapable storm of inflation that is going to fall upon the taxpayers and the storm of indignation that is going subsequently to fall upon the Members of Congress who have no regard for the taxpayer, the ultimate burden-bearer of this and similar appropriations. A very large sum is appropriated in this bill. It seems to me rather farfetched to argue, as the gen-

tleman from Illinois argues, that the difference between 12 months and 15 months is going to make the difference between success and failure of the program. This bill appropriates \$6,000,000,000 of American sweat and labor for foreign aid. On top of all that have been added five billions for defense, un- contemplated, unthought-of, and unex- pected at the time the authorization bill was passed and the Committee on For- eign Affairs came here and proposed the sum of \$5,300,000,000. Nobody knew and nobody could know then that we were go- ing to subsequently be asked to appro- priate \$4,000,000,000 additional for the defense forces, and \$1,000,000,000 addi- tional for odds and ends of defense, such as atomic energy, Maritime Commission, and other things.

One more point. Can any of us for- get for a moment the indirect cost of this program? On every appropriation bill and every authorization bill that has come before the House, somebody has stood up in the well of the House and asked for more money. Why? He has pointed his finger at the foreign relief bill and said, "Look, you are willing to appropriate these untold billions of dol- lars for foreign assistance and rehabilita- tion, but you will not do something for somebody back home or some group back home." So I say to you members of the committee, this is a reasonable bill and should be supported.

The CHAIRMAN. The Chair recog- nizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I rise in support of this amendment. I am con- strained to disagree with my distin- guished colleague and friend from New York who just preceded me, and for this salient reason: The people of the United States were universally in favor of the European recovery program. Member after Member voted in favor of the Euro- pean recovery program, to the amaze- ment of his colleagues, who had not gen- erally voted in favor of an international measure of this kind before. Why? Because the people wanted it. And the people's instinct was good. The people knew it would cost money. My friend from New York is not telling them any- thing that they did not know. They knew that it would cost lots of money. But they knew that it would be cheaper than these enormous armament pro- grams, if it would work.

The gentleman from New York has just told the committee that we were faced this very year with an expanded expenditure for armament of \$4,000,000,000. The particular subject of this ap- propriation, the European recovery pro- gram, is what the American people con- sider as the American answer to the need for huge armaments next year and the year after. They believe that building up and reconstructing the economies of the free, democratic peoples of the world will give them the will to resist the very tides and forces which we are arming to protect against. When these peoples have the will to resist, when other na- tions have built up means equal to our own to implement the will to resist, then indeed can the world be defended by the aggregate of nations as it has never been

defended before, and as the democratic world is to be defended now by our enor- mous armaments.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

MR. LODGE. I congratulate the gentleman on his statement. I would like to say that if the Dirksen amend- ment is approved there will still be a cut of \$415,000,000 in the European re- covery program because of three items: First, \$245,000,000 specifically cut from the European recovery program by the Appropriations Committee. Second, the \$20,000,000 authorized for assistance to Trieste has not been included in this bill and it is expressly stated in the report that assistance to Trieste must come out of the European recovery program. Third, neither does the bill contain the \$150,000,000 requested for the recovery of Japan, Korea, and the Ryukyus.

There will remain, therefore, a reduc- tion of at least \$415,000,000 even if the Dirksen amendment passes. This is a very sizable reduction, a reduction of at least 14 percent.

That in itself is a substantial cut.

Mr. JAVITS. I thank the gentleman.

Mr. Chairman, this particular cut— which is done in a colorable way by just stretching the period, but is just as dev- astating a cut despite the method—I assure you, this particular cut is designed, unwittingly, I am sure, to do very serious damage to if not to kill this program. And let me show the committee why.

The Appropriations Committee's re- port itself says \$2,250,000,000 is estimated by the Administration to be the amount required for food alone for a year. That leaves one and three-quarter billions for use for rehabilitation. So that the billion which is being lopped off is lopped off of that part of the program which is to be used for recovery, reconstruction, and rehabilitation. Is it not our inten- tion in this program, at long last, to get away from a relief program, and to take these participating nations off their backs and off our backs? If the committee takes a billion dollars off this program it is taking it off of the top; taking it off where it hurts most; taking it off the very part which carries out the pur- pose of ERP, to permit the participating nations to rehabilitate themselves by self-help and mutual cooperation and not to make this a relief program.

I agree with the Appropriations Com- mittee in this statement which it makes, and I would like to call attention to it. The committee report says that ERP is "an accepted prerequisite to the estab- lishment of a lasting peace."

I submit to this committee that the American people will be agreeable to paying a billion dollars more for ERP, to make more sure its success, and that they will consider our economy today extremely short-sighted if we turn down this amendment.

I would like to reemphasize this state- ment from the Appropriations Commit- tee's own report on the ERP as "an ac- cepted prerequisite to the establishment of a lasting peace."

I trust the Committee of the Whole will vote that conviction, written by the Appropriations Committee itself.

The CHAIRMAN. The time of the gentleman from New York [Mr. JAVITS], has expired.

The Chair recognizes the gentleman from New York [Mr. GWINN] for 4½ minutes.

Mr. GWINN of New York. Mr. Chair- man, I think it is a significant fact that those speaking for the amendment do not specify one figure, one item, that can be pointed to as requiring a billion and a half more rather than a billion and a half less. We are still faced with the same generalities supporting this amendment that we faced in the original authoriza- tion 60 days ago. "We need this WPA appropriation. Just trust us on a world basis."

On the other hand, this committee went into specific facts to justify this reduction, and those facts have devel- oped, many of them, since the authoriza- tion. For example, before the commit- tee on authorization we had the need of Norway and Denmark for fats and oils, in order to relieve starvation and hun- ger. It was represented to us that there was a deficit of some 98,000,000 tons. This committee finds that Norway and Denmark have a tremendous surplus of fats and oils. They are looking for a market for those fats and oils. We pro- pose to dump fats and oils on the Euro- pean market, to spoil the normal course of trade. That can be taken all the way through. France has said, and I quote from the New York Times, "Coal in France now exceeding industry needs. Paris official is jubilant. Says nation is within reach of full recovery." They are able to get coal from Poland and from the Saar and from their old source, Eng- land. But they will not buy it in the regular course of trade, and trade will be broken down, as it is in any economy, if we simply dump coal and give it to France. So the illustrations could go on revealing the facts which the Appro- priations Committee alone have brought out justifying specifically the reductions proposed in ERP. France, of course, will take coal if we are going to give it to her. It is not now needed. All the nations of course will find tobacco and coffee and cotton and steel and wheat accept- able in any amounts as gifts. This com- mittee finds that they are no longer needed in such quantities originally pro- posed. That saves a billion and a half reduction in terms of cold, hard, practical sense.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. GWINN of New York. I yield to the gentleman from Ohio.

Mr. BREHM. It was my understand- ing when I voted for the original ERP bill that the items contained therein would be scrutinized, that the Appropriations Committee would carefully survey them, screen them, and come in here with a definite recommendation. Only with that understanding did I agree to vote for the original bill. Now, if we intend to scuttle the weeks and months of labor of this Appropriations Committee and put \$1,000,000,000 of money back in here, when there is absolutely no evidence to indicate that this extra amount of money is indicated, then I definitely will vote against this appropriation at this time.

I would rather be influenced by facts, rather than by fancy.

Mr. GWINN of New York. I thank the gentleman.

Finally, I would like to cover wheat. The committee found in the testimony and it was confirmed by Henry Hazlett in a news release lately that all of the 16 countries growing wheat they were all managing the prices so that the farmers reduced acreage ranging from 7 to 29 percent. That reduction reduced the wheat crop. America was the only free economy in wheat and we increased our acreage 29 percent. Thus, in the one free economy we have a surplus. So the lesson to be taught to Europe is not with more dollars and more wheat, but that they must quit managing prices and causing their own scarcities.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Texas [Mr. MAHON] for 4½ minutes.

Mr. MAHON. Mr. Chairman, during the late war I recall particularly our Subcommittee on Military Appropriations bringing in a bill one day, just one single bill, for \$60,000,000,000 for the war program. That bill, big as it was, was only a relatively small item in the whole war effort, shall I say?

The thing that America must seek to avoid is having to expend money like that again in the future, not to mention the necessity for conserving life and liberty. Someone has expressed great regret that no one had spoken in this debate a word in behalf of the poor burdened taxpayers of this country. Those who have studied this program and who know its real purpose know that the main objective of this program is to help the American taxpayers. The idea of helping the 260,000,000 peoples of western Europe to maintain their independence has a very important relationship to the American taxpayer. If our foreign-aid program to date had not been reasonably successful, if there had been no foreign-aid program to date there is no doubt but that the 260,000,000 peoples of western Europe would in all probability have already been brought under the domination of Russia. We cannot afford to have the 260,000,000 peoples of western Europe and their industries harnessed by Moscow and arrayed against the United States. If that situation should come about and those countries should become satellites of the Kremlin, what would happen to the poor, burdened American taxpayers? And we are all taxpayers. If that should happen tomorrow, what would happen here? I should certainly be among those—and I think we would be in the majority—in this House who would rise and say that our liberties are so much imperiled that we must appropriate not \$6,000,000,000 but perhaps three times \$6,000,000,000 in order that we might begin to prepare ourselves for the inevitable conflict, and in that inevitable conflict we would have to stand alone.

If America is to be an armed camp from here on out, the poor overburdened taxpayer is going to be in an almost impossible situation. But if this foreign recovery, this American recovery pro-

gram, succeeds and the 260,000,000 people of western Europe can stand on their own feet and be free from the Kremlin and be in a position to support us if the worst comes to the worst, then Moscow will find that democracy must and will live and the time will come when we can certainly diminish our tremendous appropriations for national defense. But we cannot take chances.

Mr. Chairman, this program is designed to be a program in the interest of America and the American taxpayers and it is upon that basis I am supporting it. I am very happy over the fact that while democracy has its imperfections and our country has made its mistakes, at least in some degree we are winning the battle against communism. I cannot subscribe to a philosophy of too little, too late. Let us start the program off right. If it is started right the chances of success are much greater.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, I am supporting the pending amendment. The committee's approach is not so much a matter of too little and too late, but a matter of too long and too thin. When it comes to the matter of appropriation of amounts and investigating figures, I am accustomed to yield to the great Appropriations Committee. I sympathize with that committee in its tremendously difficult job. But after spending most of my time for the past year and a half on this problem I know how difficult it is for them or for anyone to secure specific, accurate estimates because things change over there so fast. In this vast problem, the weather and the Soviets have a lot to do with it. If the committee are in doubt by a billion dollars as to the proper amount I do not think they are justified in cutting it by this method of legislation. When it comes to appropriating money I yield to them; when it comes to legislating, I reserve my own judgment. What we are doing here by this motion is restoring the legislative time period which was debated so strenuously for 3 months earlier this year. Mr. Chairman, there has been a lot of fenagling about this matter of the time in order to make figures seem easier. We started out with a six billion eight program for 15 months. If there is one thing that this House and the Congress decided it was that we are going to go at this thing not 15 months at a time, we are not going to appropriate for 4 years or 15 months. This was to be a 1-year proposition, and this amendment simply restores that legislative policy which was tampered with here in an effort to make the amount, as I say, too long and too thin.

In our legislation we provided for a so-called watchdog committee. That committee, of which the great watchdog of the House, the gentleman from New York [Mr. TABER] my beloved friend, is a member, has as its agent general a former Member of this House, Charles Dewey.

In my judgment he is going to do a great job in watching events and preventing mistakes before they occur, but if the Administrator himself is ham-

strung by shortage of funds when situations develop while we are home, which I hope is going to be for a stretch of about 5 months, we cannot repair the situation. It seems to me that, since this great Committee on Appropriations has three times in the past year ended up by appropriating right up to the amount authorized for foreign aid, we should be careful about permitting them to juggle with legislation in reference to time in order to lower the amount. The thing for us to do is to make this a 1-year proposition as we started out, and that means passing the Dirksen amendment, realizing that the amount still will be far less than was asked for. Bear that in mind if attacks are made on the amount.

Now, we talk about the dear taxpayer who is so close to all of our hearts, particularly at this time of the year. If any of you think that this whole project is a charity bazaar, you should have voted against it in the first place. If you think it is a charity bazaar, vote to cut it all out. Unless you think this is for our security and not merely relief, that world recovery is necessary for our security—vote against it all. If you think, as I do, that it is for our own security, do not hamstring it by monkeying with the time. Leave it as it is.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Well, my colleagues, we march up the hill and then we march down the hill. You say, "We want the Committee on Appropriations to very carefully scrutinize the requested budget estimates." The Committee on Appropriations does that and spends 8 or 9 weeks doing it. They bring in a bill, and then the distinguished gentleman from Illinois says, "Why, you should not do anything with this appropriation. You should give them just exactly what they ask for in the authorization bill that came from the House Committee on Foreign Affairs." And, I see most of the members of the Committee on Foreign Affairs, including the beloved and distinguished chairman of that committee, sitting here, perhaps champing at the bit to vote for the Dirksen amendment so as to restore this action right back where we were when we started.

Now, what is the use of having a Committee on Appropriations at all? What is the use of even going into the hearings? What is the use of even conducting a hearing? What is the use of even making an examination? I dare say that there are not 10 percent of the Members of Congress that have had time to read these hearings to know what is in them. They physically have not had the opportunity to read them. The Committee on Appropriations has spent over 8 weeks, and here this afternoon we have the same situation that we are always confronted with, a barage of people from the Committee on Foreign Affairs, spearheaded in this case by the gentleman from Illinois [Mr. DIRKSEN] who has an unusual interest in this situation. I do not know what there is to it, but I read in the paper that he is one of Mr. Hoffman's advisers down there at ECA at the present time, and he has an unusual in-

terest in this matter. It is a very unusual situation that faces us.

Now, I voted for the ECA program. I voted for every one of these programs, and I want to see them work, and I am not going to allow anybody to stand in the well of this House and say that unless I do just exactly as the Committee on Foreign Affairs says, I am going to please Stalin, or that I am going to see the radio and the newspapers over in Russia gloating over the fact that the Congress of the United States has destroyed this program.

That is a lot of tommyrot. If you will take the time to read these hearings, you will see there is no substance in that kind of an argument at all. Read the hearings, and read the testimony of Mr. Dodd of the Department of Agriculture, when he was questioned in connection with this matter. "Supposing, Mr. Dodd, we have a crop failure in America next year; what will happen to that program?" "Why," he said, "it would put it all out of joint." Then if you have a great crop abroad, should not that also give some benefit to the taxpayers of America? There are a lot of imponderables we have taken into consideration in this matter.

I want to see this program work. I know what it means. That is why I am voting for it; but at the same time my interest as a citizen of America does not lead me to the point that I must accept just exactly what these people hand us and abdicate my judgement as a Member of Congress after spending 8 weeks going through these estimates. You may do it if you want to, and then you go back and face your people, face your farmers when they cannot get any farm machinery at all, and you face them in the face of what happens. I have been back home. I know what my people are thinking. They want this program to go. There has not been a single person from the gentleman from Illinois [Mr. DIRKSEN] on down that has been able to stand here in the well of the House and show you by any facts or figures that the action of this Committee on Appropriations would destroy this program. Not one bit of testimony has been offered, just a lot of surmises and suspicions to get this blank check into the hands of these people, and then they will spend it exactly as they please. You can do it if you want to, but I shall not do it.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I regret the necessity, or the feeling of necessity, to trespass upon your time at this hour of the day. I have been here quite a good while as a Member of this House. I have seen many good debates in the House, of which I was very, very proud. If today I should sink, or think I might sink, to anything like partisanship in what I am going to say, I would be ashamed of myself. This thing is deeper than parties. It is the deepest and the most far-reaching thing, in my opinion, that we will deal with in this session

of Congress. So I am not going to get excited, I trust, nor am I going to say anything that might offend the sensibilities of the most sensitive person in the House. I trust that I may in the moment that I occupy this place appeal to the reasons of people.

I know, I remember how often I heard from this place before the second war that too much was being done, that we would be as well or better off if we did less and spent less of the taxpayers' money. We spent a good deal, but it was not enough to keep Japan from attacking us at Pearl Harbor. They did not fear to attack us at Pearl Harbor. Italy and Germany did not fear to declare war on us the very next day. The taxpayer? He is involved in this. If we had had 20,000 planes instead of 5,000, well accoutered with bombs and fighting men, in my opinion, Japan would not have attacked us at Pearl Harbor. They did attack us, and in less than 5 years it cost the American taxpayer more than \$300,000,000,000 and thousands upon thousands of the lives of our precious boys. As a result of the wars that we have been in, a bill will come to us next week appropriating more than \$6,000,000,000 to take care of the maimed, the halt, and the crippled and the dependents of those who did not come back.

I regret the action of this committee, and I shall deeply regret the action of the House if it does what I think it will do. I think it will cause smiles of derision to be cast at us in the Politburo in Moscow. One of the leading men in the politics of Russia said last fall: "We are going to do everything we can to sabotage this program." Reports of what has been published in Europe have come through on the wires today. From Oslo comes this report:

Report will come as shock typical unstable moods American politics and American politicians.

Just a little while ago, after long hearings before the great Committee on Foreign Affairs of the House, they reported, and the House adopted by a substantial majority a bill authorizing the amount asked for in this bill which we are now considering.

The press wire report reads further:

Proposed amendment will upset all previous calculations. Obvious Russian propaganda will make use of the confusion concerning the appropriations. Moscow offer cancel half Finnish war debt after July 1 already given most flattering background as result of report. Indications Russians have offered Finns \$5,000,000 loan will enhance this impression.

From Vienna, the Communist paper has this to say:

Headline: "Collapse of present plan—Black day for the Marshall satellites."

Then, it goes on to say—this is a Soviet paper speaking now:

This Washington news item comes like sledge-hammer blow for the 16 governments who have staked all their hopes on Marshall plan. They are now forced to admit bankruptcy of their policies. Since all 16 nations had already considered previous ERP allocations as far below their absolute minimum requirements, the new cut constitutes a horrible blow.

Only today Secretary Marshall was asked what he thought of this plan, and this is what his comment was:

The reduction would, I consider, alter the European recovery program from one of reconstruction to one of mere relief.

Talk about the money we have appropriated here for defense. It might be used as a reason why this Congress in its wisdom has appropriated more money for defense, was on account of world conditions. Everybody who has any reason knows that the world is tinder today, and some little satellite country looking toward his big brother in the Kremlin may start a war that will not only consume thousands, yes, maybe millions of lives, but billions upon billions of money.

Frankly, my friends, I do not like to appropriate the taxpayer's money any more than anybody else, but I am afraid not to do this. I know and you know, and every human being in the land who thinks knows, that this world would be a holocaust if we had another war.

Take away from this program all the humanity that is in it; forget the starving children of our allies through the earth; wipe away the thing that I think is vitally important, that is, the recovery of these countries so they can defend themselves and help us defend ourselves if the worst comes to the worst; lay that all aside and go to the cold dollars and cents proposition of the American farmer, the American businessman and taxpayer. It means much to the cotton farmer of north Texas that western Europe be put on its feet so that they can trade with us; so that we can have business with them; take their surplus and exchange ours for theirs. It is important to every industry and every farmer in America that western Europe be rehabilitated at the earliest possible moment; as much, and probably more so, for us as it is for western Europe.

There are dangerous days. I look upon this hour with more fright on account of the situation this world finds itself in than I did in 1938, and even in 1939. Let us not do too little. Let us carry out to those people who want to be our friends and our allies, the promise that they think we made to them only a few weeks ago.

I counsel you as an old and devoted friend; I plead with you not to do too little now.

The CHAIRMAN. The time of the gentleman from Texas [Mr. RAYBURN] has expired.

Mr. REED of New York. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. REED of New York moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from New York [Mr. REED] is recognized for 5 minutes in support of his amendment.

Mr. REED of New York. I have listened with a great deal of interest to this debate and particularly to the last gentleman, our distinguished former

Speaker of this House. I have heard him speak a great deal about the amount of money that was spent because of the attack of Japan. We might just as well turn back the pages of history for just a little bit. It is a fine thing for anyone to stand up here who went through that outrage and not know why Japan struck and why we had a large bill for the war in the Pacific.

When the Trade Agreements Act was put into effect the New Dealers claimed it was going to build up exports, but it did not build up exports. They started in shipping war materials to Japan to build up exports. I have the record. The record has been placed before this House many times. The New Dealers shipped them airplane engines, shipped them 10,000,000 tons of steel. They built their mechanized army. They built their planes, they built their navy. They sent them enough scrap iron and steel to build a navy twice our own naval strength. Protests were made on this floor trying to prevent arming Japan. This House was told at that time that Japan was building up a stock pile far beyond any ordinary peacetime needs and warned that war-material exports must stop. But no. It went on. They wanted to build up exports to make a showing under their war-creating trade agreements program, to show that it had worked, when instead it had dismally failed. They kept on shipping steel and scrap iron to Japan, and I remember the day when the representatives of the Secretary of State came before the Ways and Means Committee and, huddled around the table and told us the predicament that they were in. They said: "We are short of steel to build up our own defenses. We want the tariff taken off scrap iron and steel. We are going to send agents into South America to gather up scrap steel, scrap iron, old sugar mills, railroad tracks, anything, to build up our own defenses."

Mr. Speaker, the New Deal armed Japan. They struck the blow at Pearl Harbor with New Deal scrap iron. The blood is upon the hands of those who adopted the policy of arming Japan.

Now, let us get down to facts. Let us not make fools of ourselves in the name of just another emergency. It is time the internationalists restore sense to their thinking and other actions. It is time we thought about our own debt and I urge you wherever you can to cut needless expenditures of this Government, cut them from ERP and every other appropriation bill that comes to this House.

Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE] for 4½ minutes.

Mr. CASE of South Dakota. Mr. Chairman, the old squeeze play is on. Personally, I am getting a bit tired of being told that we must vote for something because somebody promised somebody, or because something has not turned out just as predicted.

When the vote came on the ECA bill, we were told we had to vote for it because a refusal would be misunderstood, because Europe had been led to expect it; but we were also told the Appropriations Committee would be expected to do its regular job in screening the request for appropriations under the authorizations. Now we are told the Appropriations Committee cannot provide a cent less than the authorization or it would be misunderstood abroad.

If I remember correctly, the same thing was said when the Committee on Foreign Affairs, itself, modified the original proposals of the Marshall plan.

And then I recall that when the original message came to Congress, we heard this argument: "Set up the foreign economic recovery program and you will save heavy military expenditures. Do this and you will avoid war."

But when General Bradley came before the Military Appropriations Committee he used the European recovery program as an argument for increased military appropriations. He said:

Our political, economic, and psychological countermeasures have no real force in being behind them. We have nothing to back up our peace-seeking efforts but the world-wide knowledge of our great potential. Unless we can show some power behind our policy, in addition to the other methods we take, we believe, in dealing with Russia, that it is not entirely effective.

As he went on, I said:

You are thinking that these countries to whom we extend this economic aid will have the courage to accept it if they can see a little force behind it in case somebody frowns at them for accepting that aid?

General Bradley said: "That is correct."

In other words, the very step that had been urged as a way to avoid huge military expenditures became the argument to get them. We had to have force to back up the program, to make it work.

So, the administration sent up supplemental estimates for the Army and for the Navy and for the Air Force, and we have voted them. I thought they had merit because of the testimony of General Bradley, and others. We had made western Europe more inviting to communism, the unarmed nations would be fatter for the kill. So I was active within the Deficiency Committee to report the bill with an amendment to increase the money for the Air Force because that was the one thing that said to Mr. Stalin: "Stop!"

And I believe any fair, objective review will say that the bill for the 66- or 70-group air force has done more than any other one thing to ease off Russia's cold war. Power—air power—was the one thing that spoke the language Stalin understands.

A lot of the argument this afternoon has been on the subject of contributing aid to Russia, psychological or otherwise. There is one aspect of the aid to Russia in this program that has had little public attention. I refer to the fact that in this program, we are being asked, in effect, to pay Italian reparations to Russia.

During the hearings on this bill I asked Mr. Lovett how the \$100,000,000 in treaty

reparations from Italy was going to be paid to Russia. I said:

Where will Italy get the \$100,000,000?

Mr. LOVETT. She will have to get it out of her exports.

Mr. CASE. And we are going to help her build up those exports, are we not?

Mr. LOVETT. Our recovery program is certainly designed to increase her ability to build up her economy.

Mr. CASE. And make it clear that the United States is, in effect, to provide the \$100,000,000 for paying the Italian reparations to Russia.

The gentleman from Texas offered us counsel as an old friend, and I am sure he feels sincere from his standpoint. But let us go back to an old friend who in a famous farewell address in 1796, said: "In offering to you, my countrymen, these counsels of an old and affectionate friend" warned us that we should be careful in giving equivalents for nominal favors abroad lest "we be reproached with ingratitude for not giving more."

Mr. Chairman, this bill carries \$6,000,000,000 to give to the rest of the world and on top of that a billion dollars more for the Export-Import Bank to loan under the public-debt transaction sections and billions more in loans through the Bretton Woods set-up. Will we be reproached with ingratitude for not giving more? Is six, is seven billions in foreign aid nothing?

Here is the Myrdal United Nations report which the Foreign Affairs Committee sent out after the ERP bill had passed and said it was the latest word on the subject. The table on page 1 gives the figures to show that Belgium, Denmark, France, Ireland, the Netherlands, the United Kingdom, and Sweden were all more than 100 percent of their 1938 or prewar level in 1947. To what level do the taxpayers of the United States have a responsibility to build them up?

What are the facts if you want to settle this on facts and not on sentiment? When the CEEC met in Paris last November, what did the countries ask for? How much did they think they needed?

In sugar they asked for 3,053,000 metric tons. But our world planners in March said we should give them 3,297,000 tons, an increase of 240,000 tons.

On processed milk the CEEC countries asked for 240,000 tons. Our people said, "Give them 357,000 tons."

When I asked Mr. Northrup who was before us "why", he said—and you will find his answers on sugar, milk, fruit and tobacco at pages 364-366 of the hearings:

Mr. NORTHROP. The same general comments apply there, as for sugar, 240,000 tons was low, in our judgment, in relationship to the need over there. We thought in this instance they had badly understated their requirements.

I have given you the figures on tobacco, an increase from 247,000 metric tons to 323,000 because our planners think we ought to give these countries more than they themselves have asked for.

Is it any wonder that the committee after weeks of hearings on this matter and getting evidence of that sort, day after day, thought it might be possible to spread the dollars requested over the 15 months' period and get this program

on a fiscal-year basis—in line with our other aid programs carried in this bill, and all other appropriations? Personally, I believe that if all members would read the printed testimony there would be no question how you would vote on this amendment.

And I do urge that, however your vote, you get and read the hearings.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER] for the remaining time.

Mr. TABER. Mr. Chairman, the question here is whether we want to go by facts or we want to go by emotion and by an implication that if we do not do this something else will happen. I spent long hours and weeks going over this matter. I have found certain facts and I think you should know them.

Already France is in sight of a 300,-000,000-bushel wheat crop, or 7 bushels per capita, almost double what is consumed in the United States. Italy is in sight of 269,000,000 bushels, or about 4.9 bushels per capita. Maybe they need some help. If this program goes through the way it was laid out, Germany would have 300,000,000 bushels of wheat, or 6 bushels per capita.

The trouble with this matter is that it has not been analyzed up to date by the people who are talking in favor of this amendment. We have analyzed it. After we got through with the hearings, Dr. Fitzgerald, of the ECA, in charge of the Food Branch, appeared before us, and he acknowledged that my figures were correct. I had him submit tables for the record to prove it. They are found on pages 389, 389A, 389B, and 389C.

Now, if the House desires to go by a careful analysis made after 5 weeks of hard study, that is what I ask them to do. I believe, and I am sure, that there is ample money provided in here to carry this program through 15 months. I believe if it is properly and honestly administered that it can do everything that it should do to rehabilitate western Europe and the world. I hope that you will not destroy this program by making it a WPA program and giving to these people who are running it not alone what they need but more than they need so that they will destroy it by improper administration. It is time, folks, to think. It is time to realize that in these days we are up against a serious proposition. We should take proper care of these demands that are made upon us for relief and rehabilitation in Europe, but we should not go to the point where we encourage such things as enormous quantities of tobacco and more cotton than they ask for, and more wheat than they need, and all that sort of thing. Let us be honest with our souls. Let us be honest with the American taxpayer and see if we cannot put the United States and the rest of the world on the way to recovery. I have not the slightest fear but what we are providing enough money here, and I would not come to you and misrepresent it. I have been here too long; I do not care to do anything of that kind.

I ask you, on the basis of loyalty to honest government, to vote down this amendment.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired.

The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 101, noes 127.

Mr. DIRKSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. DIRKSEN and Mr. TABER.

The Committee again divided; and the tellers reported that there were—ayes 113, noes 148.

So the amendment was rejected.

Mr. HARNESS of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARNESS of Indiana: On page 2, line 22, after the word "Administration", strike out the balance of line 22 and all of lines 23, 24, 25 thru 1948 and before the period in line 16 of page 3, insert the following: "Provided further, That none of the funds provided in this paragraph shall be expended for guaranties of investments in enterprises producing or distributing informative media provided for under section 111 (b) (3) of the Economic Cooperation Act of 1948."

Mr. HARNESS of Indiana. Mr. Chairman, this amendment strikes from the bill on page 2 the amount of \$10,000,000 which is authorized to be spent in the promotion of American publicity abroad through the American press and cinema industry. This proposed sum is intended to subsidize American newspapers, magazine and films circulated in the foreign countries which are beneficiaries under this European recovery plan.

Perhaps a number of you here in the House have not examined this appropriation measure in detail, and do not realize exactly what this particular item in the measure contemplates. If you have any doubt about the matter, I direct your attention to a detailed article appearing on the front page of a local newspaper, issue of June 2, written by a correspondent who has taken the trouble to examine into the full implications of this proposal, and to report them in detail to the American people.

While we are debating a measure which will almost certainly be approved, and which will allocate \$6,000,000,000, the distribution of which will immediately benefit hundreds of domestic industries and businesses—it may seem ironic at first glance to object to this comparatively trivial sum to be awarded to a special group of outlets in this particular group of American business people. But let me say to you with all possible emphasis that this is not mere opposition to the American press and cinema industry. I believe there is not a more ardent and sincere advocate of a free and untrammelled press and movie industry in this body than I. I vigorously oppose this particular provision because I believe it would set up a dangerous practice; because I am convinced it would establish a vicious precedent.

Please consider the implications of the newspaper article I have just quoted.

It is not my purpose here to support the implications in this article. I do not know that the funds proposed here are actually planned to salve and support those who have helped to sell this present aid program. I cannot honestly say that such a motive is behind this provision, even though I have heard the charge frequently made both in and out of Congress during the discussion of this measure.

But the administration forces here are skirting dangerously close to the specific prohibition in the criminal code, if, indeed, they have not run afoul of them in this case.

Here we have a number of private agencies which plugged for aid to Europe in the period when this policy was being determined in Congress. And now that actual awards in good American dollars are about to be authorized, these agencies are about to be appropriately rewarded. The story is that we need American sales promotion in these beneficiary countries. But there is no provision here to solicit help from other sections of our domestic press, radio, magazine, and movies in this big venture of selling America for a nice, fat fee.

The editor of a newspaper, magazine, or the boss of a movie studio may feel any way he likes on this issue. But I insist that he may not be rewarded by the Federal Government for thinking and preaching the way the administration wants him to think and preach. But here we apparently have such an attempt to reward such influences, in an indirect, but clear, violation of the criminal code. In this connection may I read to you the essential language of section 201, title 18, of the United States Code. This legislation was approved July 11, 1919, and reads:

No part of the money appropriated by any act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress.

The final paragraph of the section establishes a fine of \$500 or imprisonment for not more than 1 year, upon conviction.

No question is raised here about the manner in which private persons may spend their own money. That is clearly their own business. If they have wished to promote the program of aid to Europe, no one in Congress can question their right to do so. But I do doubt that the administration may now legally reward the proponents of its policies, as it seeks to do under this provision. I do directly challenge the right of the administration thus to spend public funds by indirection for purposes which it could not legally support by direct expenditures.

If the administration cannot legally spend the American people's own money to sell the idea of sending our resources abroad in this program, can it now legally return money in this fashion to private persons and companies who did the job for it? I think the answer ought to be

perfectly clear: What you cannot do directly you cannot legally do by indirection.

But suppose we establish the practice and make this a precedent, is it possible that the newspapers who will be rewarded and paid these sums of money will then be obligated to the department that pays them to support the program that they espouse? Suppose this program is a failure abroad, will those newspapers and magazines which are being paid this subsidy of \$10,000,000 be expected to whitewash the failure, and cover the failure to the American people, as the hired agents of the administration, which is trying to sell this program?

When the taxpayers' money can be used for the purpose of propaganda, when it can be used to control the thinking of the people, then free representative government has become a fiction, and there is no need, indeed no future, for this representative body.

I appeal to the Members of this House to give careful thought to this amendment. Let us stop this vicious practice of Federal agencies using the taxpayers' own money to lead our thinking however Washington bureaucrats dictate. Do not scoff at the idea, please. My committee has repeatedly proved to you how our executive departments and agencies actually use this technique.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HARNESS] has expired.

Mr. HARNESS of Indiana. Mr. Chairman, I ask unanimous consent to speak for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Mississippi.

Mr. RANKIN. I wanted to ask the gentleman if his amendment would also eliminate such agencies as moving pictures and the radio that are in the same class.

Mr. HARNESS of Indiana. It does that. It prohibits the use of any of this appropriation for the purpose of subsidizing any of those groups which are producing and distributing informational matter.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does the gentleman know whether or not there is any evidence of record as to the media or publications which are to receive any of the money thus appropriated?

Mr. HARNESS of Indiana. Yes. The hearings state several of them. The New York Times is one of the newspapers. The New York Herald Tribune, and a number of magazines and a number of moving-picture producing companies and a number of book publishers are included.

Mr. CRAWFORD. It would be fairly easy to take those publications which did support the program, and the testimony here, and prove that regardless of what has been charged about themselves, the

fact is it does subsidize those organizations.

Mr. HARNESS of Indiana. Yes. Now, the Associated Press, the International News Service, and the United Press are included in this only in the occupied territories. But I believe these news agencies actually want no part of this scheme. I think each expects to pay its own freight, and to gather and disseminate news without influence from any source. In fact, I understand that at least two of them have already disclaimed any interest or desire to participate in this proposed program.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Georgia.

Mr. COX. For the purpose of emphasis I would like to say for the RECORD that the gentleman is making a point to which there is great merit. When representatives of the Appropriations Committee were before the Rules Committee on yesterday they were questioned as to the justification for this item, and it was not forthcoming.

To make the point clear, here is just what is proposed: This bill carries an item which the gentleman's amendment is intended to strike out, an item of \$10,000,000 which is to be paid not in fulfillment of any commitment made by the State Department to anybody but in the nature of a reward for magazines and newspapers which advocated the adoption of the plan. That is the question and that is the entire question.

Mr. HARNESS of Indiana. Mr. Chairman, I am reluctant to take this position, as I said, but the principle involved is far greater than my desire to spend this money for American business.

Mr. TABER. Mr. Chairman, I would like to seek an agreement on closing debate on this amendment.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. Nine Members were on their feet seeking recognition. This means a little more than 2 minutes apiece. The Members to be recognized will be Messrs. RANKIN, LODGE, CASE of South Dakota, TABER, STEFAN, HOFFMAN, VURSELL, Mrs. ROGERS of Massachusetts, and Mr. KEEFE.

Mr. TABER. Mr. Chairman, I was not seeking time.

The CHAIRMAN. The gentleman from Mississippi [Mr. RANKIN] is recognized.

Mr. RANKIN. Mr. Chairman, of course I am in favor of this amendment. What a pity they had not known months ago that Congress was not going to pay this subsidy. You would not have had all these newspapers and magazines and motion pictures and radios propagandizing to have you go down into the pockets of the American people and dig up this \$6,000,000,000 and pour it into the sinkholes of Europe.

Two days ago, on June 2, if you will turn to the RECORD, page 7037, you will find where I put this statement in the RECORD:

This amounts to \$15,000,000, \$5,000,000 of which is to go to publications and newspa-

pers; and another \$10,000,000 is to be divided between book publishers and motion picture producers who similarly were active in the propaganda campaign for the foreign spending experiment.

It goes on to name the papers, and I am sorry that my time is limited so that I will be unable to call the names of all of them. But it does go ahead and names the papers that have been carrying on this propaganda for months to have the Congress dig down into the pockets of the American people, into the pockets of their children and their children's children's children and take these billions of dollars and pour it into the sinkholes of Europe and Asia.

This bill provides a large amount for China. A young captain said to me down at home recently: "Why do you want to feed the Chinese? They have been starving to death by the roadside for thousands of years. I saw them starving by the roadside. I was over there in the Army 2 years and I saw them die by the roadside and the dogs eating their dead bodies and the other Chinese never even stopped to pick them up."

Now, you come in here and attempt to pass this under the bludgeoning of a propaganda to which the Congress seems to have capitulated.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Chairman, the inclusion of an amount to pay these newspapers would be silly if it were not so absurd. We will not let the big businessmen, we will not let the labor unions, pay out their money for political purposes. That is all wrong, yet here we take the taxpayers' money and let it be used to support the Foreign Affairs Committee. That does not look right to me. And this is why I say the provision is foolish.

Whom do we hire? Anyone who has been here for the last 10 years and who has been worth his salt has been bitterly condemned by the Washington Post because he did not follow that paper's ideas, yet we are subsidizing that paper to put their people in there, though we know that when we speak or vote it is for America—but the Post thinks otherwise; abuse is our reward. Everyone who has been here for 10 years knows that the Washington Post has been supporting parts of the Communists' program all through these years. It has paraded them, defended them, it has coddled them; it has condemned every Congressman who ventured to say anything against some of the policies of the Communists if they happened to be in high Government. While you are appropriating \$6,000,000,000 here to fight communism abroad, we hire the Washington Post representatives to blow them up here at home and abroad.

It was the Washington Post which persecuted the so-called seditionists, later ashamed of its action, or at least caught in its vicious and unfair acts, admitted its folly.

The Post, if it follows its past policy, will encourage communism rather than discourage the spread of its ideas.

Oh, it is so silly.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. LODGE.]

Mr. LODGE. Mr. Chairman, the section providing \$15,000,000 for the guaranty of the convertibility of soft currencies into dollars for publications published in the 16 participating nations was adopted because it seemed to the Committee on Foreign Affairs that this provision is in line with the Mundt "Voice of America" bill and with the provisions of every foreign aid piece of legislation that has passed this body. We specified in these measures that there must be adequate advertising as to the source and the nature of the aid.

This body has gone on record as favoring private enterprise for the dissemination of information. It is, let us say, somewhat inconsistent to be opposed on the one hand to the dissemination of information by the Government and, on the other hand to oppose helping our private purveyors of information.

Now, this provision does not guarantee a risk; it does not guarantee a profit. It is not a subsidy. All that it does is to assure a certain modicum of convertibility of soft currencies into dollars. There are certain publications which would come within that provision. The New York Herald Tribune has a European edition. I think the New York Times Sunday supplement is published in Europe; also the Reader's Digest, Time, Life, Newsweek, and there may be others. This will enable American publications to publish in Germany, where, as you know, we need more thorough American dissemination of information. It will enable these publications to go in there and start working. If this amendment is adopted, this will be impossible. They have not been able to publish in Germany because they have to spend dollars on newsprint. Other costs of production and distribution must be paid for in dollars.

This is a temporary facility to disseminate the American point of view through private means.

I hope very much that this amendment will be rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, 2 months ago when the Marshall plan was considered on the floor of the House, I offered an amendment to reduce the amount for this first year by \$1,500,000,000. The House refused to approve the amendment.

After 6 weeks' study of this bill recently by the Appropriations Committee, after going over it carefully, this committee has reduced the amount by approximately \$1,500,000,000, proving the justice of my contention in the first instance. The House is to be commended for just having taken such action by a substantial majority. The bill still carries more than is necessary, but the load of the American taxpayers is greatly reduced by the action just taken. I hope an amendment later to be offered to reduce the shipment of farm tractors and farm machinery so scarce in this coun-

try will also be adopted. Likewise, we should strike out the item of \$150,000,000 for tobacco. Let us give them food when they ask for it, rather than tobacco. Mr. Speaker, I want to protect our own people by cutting out of this bill all billions and millions that are not necessary to European recovery, so we, who are against waste, who are willing to help these European people, can, in good conscience, support the bill.

Mr. Chairman, when I came back from Europe, particularly from Germany, after having been in conference with some of the high church leaders in Munich, Germany, I tried to interest the big newspapers of New York to donate and ship over a small amount of newsprint to be so used. They needed a small amount of newsprint to help fight back against communism. I was greatly impressed at this conference and I asked them to give me a list of what they thought they would need. I thought probably that these publishers who said they wanted to save western Europe, these millionaires in the publishing business in New York, might be willing to lend a helping hand with a few hundred tons of newsprint. I received a courteous letter from them, and finally one of their representatives called upon me, but there was nothing they would do to help. But, they would be glad, these millionaire publishers, to have the support of the Federal Government at the present time. I can see where it might be well to subsidize some book publishers to get some decent sort of literature and books into the countries over there, and I realize that they should have all of the proper kinds of information possible from our Government as to our way of life here, but I think it would be an unwise precedent to subsidize the publishers of New York or any place else as this bill provides.

[Mr. NICHOLSON addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. STEFAN.]

Mr. STEFAN. Mr. Chairman, if I thought that this appropriation would be used to subsidize or reward any individual or organization for propaganda to pass or oppose legislation I would support the amendment of the gentleman from Indiana [Mr. HARNES]. The principle on which the gentleman bases his amendment is sound, but from what I know of this item, it is not the belief of the committee members that this money is for any sort of actual subsidy. The committee went into this matter very carefully. I know something about it personally because the original request for this money came to the subcommittee of which I am chairman. That is the committee which makes appropriations for the Departments of State, Justice, Commerce and the Federal Judiciary. When the requests came for appropriations for the OIE or what is commonly known as the Voice of America it was suggested that American newspapers, magazines, motion picture people and some book publishers could extend their

circulation in foreign countries if they could be assured of better dollar exchange. This is the kind of American voice which in my opinion is the best. If we could get more American newspapers and magazines circulated into those countries to show the people there that we actually have a free press and that the voice of the free people is always heard in America, it would be of great value to the program we have under way to tell the story of America. The money provided here will not necessarily all be used. If so the foreign exchange should be of value to the United States Government. We can use it to buy strategic materials or we can use it for the payment of alien employees of which there are about 5,000 in the Foreign Service. The item really should not be in this bill but in the OIE bill. Or in some one bill. Some day, and, soon, we should coordinate all of our Voices of America, four or five of which are now operating over the world. The entire program should be combined into one foundation as suggested so many times by the Honorable William Benton, former Secretary of State.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from North Dakota.

Mr. LEMKE. It seems to me you have four too many now. Why do you want to get a fifth Voice of America? We had better bring them back home where they belong, and stop writing newspapers to help soft soap America down the river.

Mr. STEFAN. I thank the gentleman for his contribution.

(Mr. STEFAN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, when the original bill was before the House I spoke against this provision. Now I am delighted to know that so many Members of the House are ready to go along with me in striking it out. I simply want to issue my protest against such expenditure at this time.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I think we ought to listen for just a moment and understand what we are doing. Then you use your judgment as to what you think ought to be done with respect to this proposal, but I do not think we ought to act emotionally and without some knowledge of what the facts are in connection with this program.

If you have read the ECA Act, you will find that the act provides for a total amount of guaranties of \$300,000,000. This is just \$15,000,000 set up in the act for guaranteeing the exchange of foreign currencies into dollars for those informational media. There is \$300,000,000 involved in this program by which the Administrator of ECA can guarantee to investors who go into the foreign market, and who must accept the local currencies of the countries in which they are doing business in exchange for their goods or services, that they will be enabled to

cash those foreign currencies back into dollars, at least for the cost they are put to to make the investment. It is not a case of subsidizing anybody, it is a case of a simple guarantee to an American investor or manufacturer who places an investment in a foreign country and is compelled to accept foreign currency in exchange for his service or product, and then cannot use that currency to get back dollars with which to buy products in the United States or pay dividends to his stockholders. That is what the situation is, as I see it. I think we ought to study the record. Look at page 883 of the hearings, where it is fully explained, and then make up your mind what you want to do with it. But do not vote unintelligently on this, vote as a result of some intelligent information as to what is proposed.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, no one will accuse me of wanting to spread propaganda for ECA. No one who knows anything about my personal connection with newspaper work before I came to Congress, will accuse me of wanting a subsidized press. But I want to say to you I would rather see even the Washington Post, which took my name for a ride this morning, on the newsstands of Berlin and Munich and Rome and Paris than either the Communist publications which they see in abundance, or some of the tripe that has been put out recently in the name of the Voice of America.

This language, which the amendment seeks to strike, was put in the bill to make it possible for American newspapers and American magazines to continue overseas publication and distribution and, by visible proof, to show what freedom of the press in America means. I say to you that for them to read one good magazine or newspaper from America, even though it criticized every vote I cast, and even though it criticized me editorially every day, would mean more to demonstrate what we mean by freedom of the press than any essay someone might write or any broadcast which might be put out under the auspices of the Voice of America or anyone else.

Last fall I was in Prague and saw some American magazines on the newsstands there—I do not know whether they are there now or not—but last September they were. And I recall that on the front page of either Newsweek or Time, I saw a little table which gave the price of the magazine in various European countries, all based on the legal rate of exchange. I knew, and everyone who knew actual exchange rates on the market knew, that the publishers could not come out even at the legal rate of exchange if any substantial part of their publication costs had to be paid in dollars.

Later I heard that one of the publishers, Reader's Digest or Time, found they were losing so much on exchange that their foreign edition would have to be discontinued. As the gentleman from Wisconsin has pointed out, this item for information media is really only part of a larger currency exchange allowance in

the original authorization. If the United States thinks it desirable to protect American business from currency exchange losses for other types of business, that encouragement should not be denied publishers.

Personally, as I have said, I regard the average American newspaper or magazine far better evidence of what we mean by a free press than all the doctrinaire talks or essays that could ever be put out on the subject.

I hope we can keep these papers and magazines on the newsstands and in the libraries and reading rooms of the world. I want the peoples of Europe to see for themselves the difference between the free press of this country and the controlled press of communistic Russia.

I hope the amendment will not be agreed to.

The CHAIRMAN. The time of the gentleman has expired. All time has expired on this amendment.

The question is on the amendment offered by the gentleman from Indiana [Mr. HARNES].

The question was taken; and on a division (demanded by Mr. LODGE) there were—ayes 67, noes 117.

Mr. HARNES of Indiana. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open for amendment, including the present section.

Mr. CELLER. Mr. Chairman, I was recognized, was I not?

The CHAIRMAN. The gentleman was not recognized.

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman, do you intend to limit the debate to 5 minutes or 10 minutes?

Mr. TABER. No.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 10, after line 23, insert a new section, as follows:

"Sec. 203. Not more than \$50,000,000 of the funds herein appropriated shall be used for the purchase of farm machinery"; and renumber succeeding section numbers.

Mr. H. CARL ANDERSEN. Mr. Chairman, I would like to quote from a letter written to me by a friend in Denmark, which I received recently. I quote in part:

Denmark lacks the regular importation of corn, wheat, and fodder for the cattle so that we can produce somewhat more butter and pork for hungry Europe. Denmark is a participant in the Marshall plan and had counted on a large corn import, but now the United States wishes to send machines and tractors instead. And you know full well that Danish agriculture consists mainly of small farms, mostly with two or three horses, and therefore cannot be helped much by mechanization with tractors.

Is this not proof that we are making a mistake in this bill by permitting too many farm tractors to go to Europe?

I was home last month, and farmers in Minnesota could use today thousands of additional tractors with which to do their work. Yet, here it is contemplated to export a total of approximately 55,000 of our new farm tractors through this bill and an additional 87,000 tractors will go to such countries as Canada and others in normal trade channels.

My amendment simply states that instead of \$81,500,000 which is allocated in this bill for the purpose of sending farm machinery abroad, that we limit that allocation to \$50,000,000. I am not trying to entirely squeeze out of the picture farm-machinery exportation to Europe, but let us use a little common sense. Let us send them horse-drawn machinery that they can use to advantage. Let us not send farm tractors that your farmer friends and my farmer friends need badly. I have tried for 5 years to get a new tractor on my farm, and was successful only this last week, but many of my neighboring farmers have not been that successful.

Mr. Chairman, the question "How much of our farm machinery production should we permit to be exported this year" is very controversial, as evidenced by the pages of testimony in these hearings on the foreign aid appropriation bill.

As I study these hearings there come to me the impression that the State Department and the Department of Commerce are trying desperately, but ineffectually, to build up a straw house of plenty in farm machinery production. Their representatives repeat time and again the very questionable argument that the farmers of America have available today four times the amount of new machinery than in 1939.

These men do not tell the Congress that the farmers of America could not afford, through the small farm income years of the thirties, to buy the machinery needed to replace old implements. Then came the war and farm machinery production was cut to such a point that no farmer could find the machinery which he now had the financial means to purchase.

Nor do these representatives of the two departments, knowing very little about agriculture, explain in the hearings that manpower to the extent of hundreds of thousands have been stripped from our farms and, as a consequence, farmers have been forced to mechanize in order to survive. We must have tractors and power-drawn farm machinery so that one man today can do the work on our farms formerly done in the thirties by two men.

We as farmers in the lean thirties were able to secure good hired men for \$45 per month and board and room. We could afford then to send that man to the field with four horses and a gang plow and were satisfied to get five acres a day plowed by that man and outfit.

Now, however, we pay men of similar ability \$150 per month and board and room. If we were forced to put such men out in the fields with horses as power, we could not produce the food

necessary for the Nation, when we consider the hundreds of thousands of our farm boys who have left the farm.

Naturally in view of the present circumstances, the demand here in our own Nation for farm tractors and farm machinery of all kinds is tremendous. On my own farm there is a backlog of needed equipment which illustrates here what I am trying to prove to you, and that is, we cannot afford to permit too many of our tractors to be exported under this bill.

One of my three farm tractors is 10 years old, another has seen 9 hard years of work, and my third, fortunately, is new. Our two older tractors did all of the work on that 725-acre farm during the war. I tried 5 years ago to buy an additional tractor. Only this spring did I finally manage to buy that tractor, which to our farm represents the difference between sufficiency and lack of power to accomplish the work.

Frankly, Mr. Chairman, one can easily imagine the thoughts of less fortunate farmers than I, who have been unable to buy the power they need for their farm operations, when these, my neighbors, hear that it is contemplated to export this year 142,300 farm tractors, of which 52,165 are provided for in this bill.

The State and Commerce Departments bring out the fact that 667,800 farm tractors will be produced by us this year. After all, Mr. Chairman, when you deduct the proposed exports from this production, it only leaves us with a net supply of 540,500 new farm tractors for our farmers of America this coming year.

Now remember that we have about 6,000,000 farms and you can see where we will have only 1 new tractor for each 10 farms. You can well see why my farm has tractors 9 and 10 years old today, undependable and requiring costly upkeep in order to keep them moving at all.

I am offering this amendment in order to try to keep here in America as many as possible of our own farm tractors for our own farmers who are so desperately in need of them. When I purchased my new John Deere tractor from my dealer this spring, I could immediately have turned that tractor in the gray market for at least one-third more than it cost me. Any governmental employee who attempts, as they have in these hearings, to tell you and me that there is a sufficiency of farm-machinery production in our Nation, is talking through his hat. It will require at least a 50-percent increase in this production to satisfy the demand.

Our farmers can make better use of these tractors than can the farmers of Europe on their small farms which are a fraction of the size of ours on an average. Give our farmers the tools first, so we can produce to capacity. Do not continue this shortage of farm power here by wasting thousands of new tractors in inefficient operation abroad.

I do not object to horse-drawn farm equipment being given away under this bill to the foreign recipients of the generosity of our people. The European nations have ample men who have plenty of time to follow horses down the furrow. We farmers in America are short

of manpower and need our tractors, if we are to produce at a maximum. I speak from personal experience—my farm needs another new tractor right now—and hundreds of thousands of American farmers, not Europeans, also need these symbols of power upon their farms. We cannot produce food to capacity with lack of power no more than can industry without its electrical power.

Fifty million dollars will buy a lot of farm machinery, horse-drawn machinery, and it is utter foolishness to send power machinery in any great quantity to people who cannot operate them, cannot service them, and who would be far better off with the type they know how to operate. I want to help these people, our friends in Europe, but I, at the same time, want to watch out for our own here at home.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Would the gentleman object to amending his amendment so as to make the limitation applicable only to power-driven farm machinery, such as tractors and combines?

Mr. H. CARL ANDERSEN. No; I could not. That would give them more power-driven farm machinery than they have now under the act. If time were available here now, I would like to accept the gentleman's suggestion. The Administrator will understand that is our main purpose, however.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to my colleague from Minnesota.

Mr. AUGUST H. ANDRESEN. What the gentleman said about small farms in Denmark is equally true of most of the farms in Europe, is it not?

Mr. H. CARL ANDERSEN. Yes; that is my opinion. I quoted that as an example of the farms throughout Europe. You gentlemen who have traveled abroad report that this is the general situation in most of western Europe. They have small farms, and they need horse-drawn equipment, not tractor machinery.

Mr. JENSEN. I am very glad the gentleman has offered the amendment. I think it is a good amendment. The gentleman is always watching out for the interests of the farmers of our Nation. The world is depending on America to feed its starving people, and certainly we need machinery and tractors right here to do that job.

Mr. H. CARL ANDERSEN. May I thank the gentleman from Iowa for his kind statement, and furthermore, may I call the gentleman's attention to the fact that the European farmers have very little means of servicing these tractors. It will require the consumption of additional gasoline that is very precious. It is much better to let the farmers over there—they have ample manpower—follow the horses down the furrow, but let us give to our own farmers the tractors that we can use so we can get the work done on our farms and produce all our good lands can produce. Then we can help feed Europe.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield for a question?

Mr. H. CARL ANDERSEN. I yield to my friend.

Mr. AUGUST H. ANDRESEN. Does the gentleman's amendment as drawn cover tractors and power-drawn machinery?

Mr. H. CARL ANDERSEN. It covers any line of farm machinery, I would think, as it is written.

Mr. TABER. This does not cover tractors.

Mr. H. CARL ANDERSEN. Eighty-one million five hundred thousand dollars is allocated for farm machinery, Mr. TABER, and I would certainly feel farm tractors are farm machinery. I may be mistaken.

Mr. TABER. But a tractor is not farm machinery.

Mr. H. CARL ANDERSEN. A farm tractor certainly is, in my opinion, but to make sure, I will welcome suggestions for strengthening the amendment.

Mr. CASE of South Dakota. It is used also as tractive power.

Mr. H. CARL ANDERSEN. I may repeat to the gentleman from South Dakota that I will be glad to accept any modification of my amendment to accomplish the point we have in mind. We want exportation of farm tractors limited especially. Our farmers need these tractors and to make doubly sure we can include those words, "farm tractors."

Mr. CASE of South Dakota. I would suggest that the gentleman add to his amendment the words "including farm tractors."

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the words "including farm tractors" be inserted in my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. STEFAN. Mr. Chairman, reserving the right to object, and I shall not because I am in sympathy with the gentleman's amendment, but I believe the way it is drawn now it would include other tractors, would it not?

Mr. H. CARL ANDERSEN. I will be glad, as I stated, if the gentleman from Nebraska [Mr. STEFAN] will help put the amendment in such shape that it will do what we want it to do. We certainly want to make the wording absolutely plain as to what it means.

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, I think if the gentleman were to include the phrase "including farm tractors" that the amendment would do what he wants to do. Obviously, many tractors are used as power tractors for moving dirt equipment and things of that sort.

The CHAIRMAN. Without objection the amendment is corrected as suggested.

Without objection, the Clerk will read the amendment as modified by the gentleman from Minnesota.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 13, after line 23, insert a new section as follows:

"SEC. 203. Not more than \$50,000,000 of the funds herein appropriated shall be used

for the purpose of farm machinery including farm tractors."

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota to modify his amendment as indicated?

There was no objection.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. May I just recall, in conclusion, that of the three tractors on my farm today one is 10 years old, the other 9, and as I stated before, I was lucky enough to secure a new tractor this last month; and that new tractor means having sufficient power to do the job.

Mr. Chairman, I hope this amendment will receive favorable consideration.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me there are two or three important things to keep in mind in connection with this farm-machinery problem which have not yet been discussed. Not only is it true, as the gentleman from Minnesota has well pointed out, that the average European farm is not suited to the use of large and heavy machinery, but it is also true that there are no facilities for the repair or the replacement of that machinery when it breaks down. It is also true that there is very little, if any, facility to provide fuel for tractors and whatever else we may send over there in the way of motive power. We must send the fuel along with the tractor, we must send repairs along with it, we must send spare parts along with it, and we must send mechanics along with it. When we have done all of that we have imposed an unnecessary burden upon the farmers of America with no compensating benefit on the part of the Europeans.

After all, why do we use heavy farm machinery? I mean motor-driven machinery. We use it in the United States for the purpose of reducing cost. We do not use combines and large tractor-driven machinery for the purpose of producing more food per acre. Anyone who has ever driven a combine will tell you that it loses three or four bushels of wheat per acre. You can actually harvest more wheat on any acre of land by going out and cutting it by hand than you can with a combine. It is true that motor-driven machinery does reduce unit costs on most American farms, but, generally, it does not increase the yield per acre.

What does Europe need? As I see it, Europe needs to get the most number of bushels of food off the smallest number of acres which may be possible. You can do that by the kind of farming the people of Europe have engaged in for thousands of years. They have the labor in almost all the countries of Europe to carry on as their forefathers did. Europe has enough labor to get the maximum per-acre production by intensive hand cultivation.

The reason we use those large pieces of equipment in the United States is to save cost, to enable us to produce a bushel of wheat cheaper, not to produce more bushels per acre. If you are simply interested in making some money for somebody, of course, you would want to send these combines and these large power-driven machines over there; but if we are sincerely interested in producing the largest amount of food in Europe that we can, and feeding the largest number of people we can feed, then we will keep this machinery at home, put it in the hands of American farmers who are in position to use it and who will be able to increase the total food supply of the world instead of sending it to Europe where it will not add one single bushel to the amount of food of the world.

You have got to answer that question. Which are we trying to do by this bill? Are we trying to make money for someone or are we trying to feed the people of Europe? Are we trying to enable those people to take care of themselves or are we trying to sell some tractors? If we are trying to produce more food, let us vote for the pending amendment.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 4 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. HILL. Mr. Chairman, I object.

Mr. TABER. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 6 minutes.

The motion was agreed to.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Mr. Chairman, the parliamentary inquiry is this: If those in charge of this bill get tough and there is a motion offered for the reading of the engrossed bill, will that be ready tonight or will it go over until Monday?

The CHAIRMAN. The Chair will handle that situation when it arises.

The Chair recognizes the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Of course, if we want to take only 6 minutes to give four or five million dollars away, that is all right with me. I tried to study the hearings on this bill a little last night and frankly I could not find where any of the money was justified by the witnesses who appeared before the Appropriations Committee. I would almost be willing to yield now to the chairman of the Appropriations Committee if he can say that any item in it was actually justified by the testimony.

Let us see what the committee itself says about this machinery business, and I read from the report:

The committee is not wholly satisfied with the large-scale mechanization of farms in participating countries that is apparently proposed in the program. The shortage of steel and petroleum throughout the world, plus the general unfamiliarity of the average European farmer with mechanical farm equipment might prove costly and, in the final analysis, unproductive. While farm production must further be increased in

these countries the proportion of large farms that lend themselves to production by means of mechanized equipment is small. This program should be embarked upon with extreme caution, and should not require the \$81,500,000 estimated for this purpose.

If that is not all the argument that anyone needs to adopt the amendment offered by the gentleman from Minnesota, I do not know of any.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Kansas.

Mr. HOPE. May I say to the gentleman that the Committee on Agriculture conducted a 2 weeks' investigation on the farm machinery situation. We tried during that entire 2 weeks to find any justification for the figures on exports to Europe and we could not find any.

Mr. RIZLEY. No, and you will not find any.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The British are shipping to this country 20,000 Ferguson tractors this year.

Mr. RIZLEY. I do not know anything about that, but I know that this committee says that they do not need that much money, and we ought to adopt this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Chairman, I do not have a farm in my district. My district is only 4 miles wide and 8 miles long, and it is right in the center of the city of Detroit. But, I am going to support this amendment, not because of the fact that I lived on a farm for 8 years and I know something of the problems of the farmer, but because of the fact that I know that farm equipment is in short supply in this country, and I believe this, that first of all our country and our people come first.

Mr. Chairman, we in Michigan have another shortage. We had a shortage of fuel oil last winter and for 6 weeks, our industries in the city of Detroit were closed down because of a shortage of fuel oil and natural gas. It costs our industries over \$150,000,000 because of those shortages. Now, this winter we are faced with a shortage of coal. Do you know what is happening with coal? They are shipping our coal from the United States of America to France, Italy and other countries at \$21 a ton when these countries can buy coal in Europe at \$10 a ton. But, the ERP countries will not buy European coal at \$10 a ton. Do you know why? Because United States coal at \$21 a ton under ERP is for free, is cheaper than \$10-a-ton coal that they have to pay for. American coal at \$21 a ton under ERP will never be paid for. They can buy European coal for \$10 a ton, but they will not buy it because they will have to pay for it. Now, here is one of the things that this ERP program is producing, with this free money. Money is given away for nothing to ERP countries. That produces what? It produces beggars, it produces

countries who grab and want everything they can get for nothing. When we are freezing next winter, then we can go and buy European coal. How can we be so stupid?

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, on February 4 this year I stood before this House and gave some information on this very question that is brought up tonight. As our able chairman of the Committee on Agriculture well said, we had the then Secretary of Commerce before our committee, and he could not justify the shipping of one dollar's worth of farm machinery to Europe. Listen to the figures. Last September, traveling over nine nations in Europe, under the chairmanship of the gentleman in the front row [Mr. H. CARL ANDERSEN], we saw what those countries needed. We know that they need steel. We know that they need tools that they can use with their hands, as the gentleman from Texas told you. They do not need great combines and tractors and disk harrows that every American farmer needs. Let me give you just a little illustration: The average-size farm in the great State of Texas is 329 acres and the size of the average farm in France is 24 acres. Let me go down to Italy. The size of the average farm in Italy is less than 2 acres per farm. What in the world do you mean by sending tractors to these countries? I ask you, what do you mean by sending these large disk harrows and these large combines to Europe? Nothing in the world but what the gentleman from Texas told you, except to help some manufacturer make a lot of money, and this will not help the European recovery program in any manner.

The CHAIRMAN. The time of the gentleman from Colorado has expired. All time has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

~~The amendment was agreed to.~~

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: On page 3, line 16, after "1948", strike out the period and insert a semicolon and the following: "And provided further, that no funds made available under the authority of this act shall be furnished or paid to Great Britain."

Mr. CELLER. Mr. Chairman, I reluctantly take up the time of the committee again to repeat what I said earlier today with reference to the miserable conduct of Great Britain in the Middle East. Nevertheless, I feel it my duty to reiterate as often as I can, and with all the emphasis within me, this British misconduct, and for that reason I have offered this amendment to deny all and any aid under this bill for Great Britain, as a participating nation under the Marshall plan.

We have tried everything with Ernest Bevin, the Prime Minister of England, in the interest of having him change his mind on the subject of Palestine. There

have been discussions and conferences. We have tried logic and cajolary. But he remains adamant in his cruel attitude. Apparently there is too much fat around his heart for him to be either compassionate or just to the Jews in the Holy Land. Because of the poison in this man's system, because this one man refuses to act as a statesman and chooses rather to play the bully out of a sense of personal frustration, I say that the British honor is stained among all the peoples of the world, yes, even among the Arabs, who eagerly take the British aid but cannot help but smile among themselves at the British folly. The Arab chieftains give no allegiance to anyone, not even to themselves. Britain knows this, but Bevin in his intransigence insists upon a mad and a dishonorable course. Britain's badly shaken economy can hardly withstand the large sums she spends on Arab subsidies and military missions.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Nebraska.

Mr. STEFAN. I should like to help the gentleman. I believe his amendment is out of order because there is no money here for Britain. Would he like to amend that to include the United Kingdom and its dependencies?

Mr. CELLER. I should be happy to accept that suggestion, if it were proper. Great Britain is a so-called participating country under the Economic Cooperation Convention of Paris. My amendment is perfectly sound and needs no change.

Mr. RANKIN. Mr. Chairman, I make the point of order that the amendment comes too late.

Mr. CELLER. How can we with one voice decry this British duplicity and this British perfidy in the Middle East and with the other encourage Britain in her fantastic and sordid war against the Jews, whom she would drive into the sea?

Mr. Chairman, we must pause indeed and see whether we are not particeps criminis, partners in crime, if we give this money; and that money, in goodly part, is used for this fantastic and very cruel purpose.

Ten nations have now recognized the state of Israel—the United States, Russia, Uruguay, Czechoslovakia, Poland, Guatemala, British South Africa, Nicaragua, Yugoslavia, Hungary; Bulgaria will recognize Israel shortly.

How could we withhold recognition. We could not deny independence—the same independence we have zealously guarded for 172 years—to the Jews who have sought it for 2,000 years.

But Bevin refuses recognition.

The epithet "perfidious Albion" is well bestowed.

Ask the Irish in Ireland, the Boers in South Africa, the Chinese in Singapore, the Hindus in India, the Jews in Palestine.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. COOLEY. The gentleman seems to feel that Mr. Bevin is entirely responsible for the situation complained of?

Mr. CELLER. I say that Mr. Bevin is entirely responsible for the diabolical methods used by Great Britain in the Middle East. He is the one man who is standing out against the rest.

Mr. COOLEY. Do you think, then, that it is well for us to withhold relief from all of the other people of Great Britain just because of one man, Mr. Bevin, and permit them to suffer as they have suffered through all these long years in the past?

Mr. CELLER. That is a very good question, and I will be happy to answer it. I do not want to see the British people suffer, but I do hope that the British people will take heed and will talk up to this man who is going on in this fashion, in this unjust and cruel way, and who is doing his best to scuttle the Jewish state in Palestine—the state United States has recognized.

Britain claims she is stone broke. Where does she obtain the funds for Arab intrigue and Arab incitement to aggression against the Jews, unless from American sources.

Bevin excuses his meanness by citing treaty obligations. He is like a squid who retreats in a cloud of ink. Bevin masks his cunning in a cloud of empty words about treaties. How about Britain's treaty with the United Nations not to aid aggression.

His guilt is clear. He has tainted our money—not yet ERP money. He has diverted into blood money, much of our loan of four and one-half billions to Britain.

I do not want any ERP funds to become money for Arab plunder and rapine—hence my amendment.

If we stupidly give this money unconditionally, much of it will be used to destroy the state we have recognized and support.

Mr. TABER. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. JAVITS. Mr. Chairman, the behavior of the British Government with respect to Palestine and the state of Israel richly deserves to have ERP assistance to it cut off. It has been caught red-handed backing the Arab Legion of Transjordan which turns out to be the only effective force in the Middle East. It is now demonstrated that it is their own force—a British satellite army. This is the force engaged in aggression against the Jews and against Jerusalem in direct defiance of the United Nations.

The Government of Great Britain has been caught red-handed in that activity by the stubborn and willful conduct of Mr. Bevin. If the Committee of the Whole adopts this amendment then the

British Government will be getting what it richly deserves.

This amendment does not call for interfering in the foreign or domestic affairs of any nation we assist, because what the British Government has done is to make a mockery of the United Nations; and sustaining the United Nations is a direct obligation of this House as it directly involves the national security of the United States.

But knowing the fate that amendments that are offered from the floor are liable to suffer in Committee of the Whole, I would like to make two points, and they are very important. First, the mere fact that the chairman of the Committee on Appropriations was looking into this question of the British Government's defiance of the United Nations and launching an aggression it financed against Jerusalem and Israel, made the British Government give ground and draw 21 of their officers serving with the Transjordan Arab Legion out of the Palestine area. The British Government is also making half-hearted efforts to stop arms shipments to the Arab states. The loaded terms—against Israel—of the UN truce resolution Great Britain proposed, and the block on evacuating to Israel, innocent Jewish youths held captive in Cypress show the British Government's persistent devotion to a pro-Arab policy. The very fact of its withdrawals and stoppages, now, show the extent of its implication and complicity in the acts of aggression which started months ago. Yet the response—quickly—to the investigation of the chairman of the Appropriations Committee shows what works with and influences the British Government the most—its financial jugular vein.

The second point of the greatest importance is that the President through the Administrator of Economic Cooperation, has power under the European Recovery Act himself to terminate assistance to Great Britain at any time that—

(2) because of changed conditions assistance is no longer consistent with the national interest of the United States. (Sec. 118, Foreign Assistance Act of 1948, Public Law 472, 80th Cong.).

So the President can do at any time hereafter, whether or not this amendment carries, what this amendment proposes.

Accordingly, whatever the House does with this amendment cannot be considered a precedent or a binding action as to the British Government's acts in Palestine. Events will show if the British Government will atone for its being caught red-handed and implicated in defying the United Nations, and aggression against Jerusalem and Israel. The President has the power to cut off ERP assistance to the British Government, whenever the national interest of the United States requires.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, I have a similar amendment at the Clerk's desk, but I will not press it because I realize it is a little late, and we all want to get away. I just want to reply to the question that the gentleman from North

Carolina propounded to my colleague, the gentleman from New York [Mr. CLELLER]. Great Britain has admitted to giving the Arab states \$46,000,000 a year. That includes Transjordan and all the other Arab states. In addition to that, the British are giving the Arabs arms and munitions and other things. If they can afford to do that, then they are not suffering; so the least we can do is to ask the question, Why should taxpayers of America be called upon to send money to Great Britain which they do not need?

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. WALTER. I think the gentleman has made a mistake. We have not been sending them dollars, but we have been giving them pounds.

Mr. KLEIN. That is true. We have been sending them pounds. But of course, the equivalent in dollars is \$46,000,000 a year. How can we justify giving them that money if they have that kind of money? I hope this amendment is carried.

(Mr. KLEIN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ISACSON].

(Mr. ISACSON asked and was given permission to revise and extend his remarks.)

Mr. ISACSON. Mr. Chairman, in the previous debate on ECA, I offered an amendment which provided that no funds be used for the purchase of Middle East oil. Now I rise to urge that no moneys be given to Great Britain—for it is money that will be used to spill Jewish blood in their land of Israel—money used to finance the Arab pestilence led by the Grand Mufti.

Many years ago Lord Byron wrote despairingly:

Tribes of wandering feet,
How shall ye flee away, and be at rest.
The wild dove hath her nest, the fox his
cave,

Mankind their country—Israel but the grave.

But the grave is not the destiny of Israel.

All the monstrous and sadistic barbarism of Hitler could not exterminate the Jewish people.

All the infamy, treachery, and chicanery of Britain hidden behind ambassadorial urbanity could not extinguish their spirit.

All the betrayal by Britain, historic despoiler and breaker of faith, shall not conquer the new state of Israel.

When on May 15 this new Jewish state was proclaimed by the Jews in the Yishuv when it was recognized by the great powers of the world, open happiness was inculcated among the millions of depressed Jews. For them there was the rainbow of a new life. For the homeless and persecuted suddenly there was clear in the storm-laden skies.

It was in accord with the loftiest principles of international justice and of the highest dictates of humanity.

But even as the partition plan for Israel was betrayed, so the de facto recognition of Israel was reduced to an empty gesture.

Unless this administration agrees that not a single American dollar go to Great Britain, the recognition of Israel is like Truman's veto of the Taft-Hartley bill—a meaningless, shabby political gesture.

Today's issue of the Nation states the case in definitive and convincing manner:

RECOGNITION OF ISRAEL AN EMPTY GESTURE

When President Truman recognized the state of Israel, it was generally assumed that the move would be backed with action, in and out of the United Nations. The assumption was a dream that lasted for exactly a week. Then the real and unaltered attitude of the State Department asserted itself, and the sapping operations began. After the Arab rejection of the Security Council's appeal to cease fire, the United States, instead of reintroducing its resolution invoking article 39, left it to the Soviet Union to do so, knowing full well the prejudice against any Russian-sponsored resolution. We neither backed the Soviet Union when it charged the Arab states with responsibility for the failure of the cease-fire appeal, nor challenged the British on their failure to carry out their pledge of April 17 to withdraw the Arab Legion from Palestine before the mandate ended. We did not vote down, as we should have done, the original British truce resolution, which was aimed directly at the Jews; we did not propose a single decent amendment to the British text; we did not answer the inquiry of Belgium and Canada as to what action we were prepared to take if article 39 were invoked. It was France which prevented the Security Council from banning Jewish immigration into Palestine during the 4-week truce. It was Colombia which asked the British whether they would continue to arm the Arabs even if they should refuse to cease fire. It was Canada which restricted the role of the mediator to the functions assigned to him under the resolution of the General Assembly of May 14. It was we who introduced an amendment under which the British and the Arabs alike could justify blockade of Palestine territorial waters, hemming in the Jewish state.

Had the Russian resolution passed, the Arab states would have been named as aggressors and exposed to political and military defeat. This the British prevented. Under the truce resolution as adopted, the Jews have been stopped in their tracks by an international arms embargo, while at the same time the Arab Legion, said to have an 8-months' reserve supply of British arms, and the other forces of the Arab states remain in position inside Palestine as a continuing threat to the Jewish state. It was for this that the United States eventually voted. Obviously the intention of the British is to destroy Jewish resistance and force a negotiated peace with a weakened Israel, reduced in size and prepared to accept terms that will insure Britain's firm control of strategic bases, with the Negev as one certain prize of war. Thus, British maneuvering has again succeeded, with State Department help, in undermining the decision of the President of the United States and the last fragment of United Nations authority. It is up to Mr. Truman now to show whether he or Mr. Bevin determines American foreign policy. The President can approve an immediate loan to Israel; announce that the United States will help arm Hanagah once the truce period is over; and, equally important, can tell the British people that this country will not continue to support Mr. Bevin's policy in Palestine.

The manner in which we here can most effectively tell the British that we will not support the anti-Semitism of Mr. Bevin is by denying them the use of American dollars to be used for arms to kill Jews.

For as in Biblical times, Isaac exclaimed, "The voice is the voice of Jacob but the hands are the hands of Esau." We here know that the "voice is the voice of the Arabs but the arms are the arms of Britain."

The facts are that since the beginning of 1946, resuming a policy which has been Britain's master plan for a century or more, Great Britain has embarked on a program of exploiting the untapped resources of equatorial and southern Africa, as well as the Middle East where she holds sway. Meanwhile democratic movements are shaping up against this policy, as witness the upsurge of the new nation of India in the short period of time since she has enjoyed autonomy from British overlordship.

Imperialist forces in Great Britain can ill afford to let Palestine give haven to the new state of Israel for the simple reason that Israel represents a bridgehead of democracy in one of the last great feudal areas of the world.

Democracy is catching, Mr. Chairman. If it should be allowed to flourish in Israel it would most certainly spread to feudal Araby.

This could well mean, Mr. Chairman, that a democratic Middle East would turn to the United States rather than remain quiescent and supine under British imperialism.

It is this perilous possibility that Britain seeks to forestall. This would indeed cut Great Britain's imperialist lifeline to its geopolitical spheres in Africa and the East.

Under our very noses, for example, the British in last year have moved to recapture Iran from American influence.

There the 100-percent pro-American Premier Ghavam was forced out last December and a pro-British prime minister substituted. Whereupon the Iranian Government officially declared that it intended to turn away from the United States and toward Great Britain.

Mr. Chairman, what is going on in Palestine is only in a small measure a conflict between Arabs and Jews. It is in the larger sense a conflict between British imperialism and peace; and in a special sense it is a conflict between British and American interests, influence, and varying political beliefs in the Middle East.

The joker in this greater conflict is that the British—by simply playing possum and letting our ERP program get into action—are placing the United States in the position of financing its own opponent, namely, Great Britain, in the struggle for the Middle East.

We are about to pay the bill, Mr. Chairman, for the ouster of the United States and American-style democracy as represented by the new state of Israel, from the path of British imperialism.

What, indeed, has been the most obvious result of our last great loan to Great Britain?

Has it put the British people on their feet economically? Has it lessened the "austerity" of their way of life, has it brought them comfort and a chance to rebuild?

No, the money has been spent in other ways and the most notorious returns from our investment in Britain have

been a strengthening of the British position in the Middle East.

Brazenly, Great Britain has armed its puppet Arab states against Israel. Outrightly, Britain in the United Nations has forced or influenced stall after stall in the implementation of the United Nations' partition decision.

Flatly, Britain now tells us that she intends—not to call her Arab satellites to heel—but rather to continue to arm them with materials and moneys obtained from the United States.

Mr. Chairman, our country was once a colony of Great Britain. It took a revolution to put an end to that.

Now, a century and a half later, we find ourselves so thoroughly enthralled again by our old "mother country" that we are now plunging headlong into a proposal to finance her unchanging imperialist activities directed against our very selves in the Middle East.

Indeed the very language of our own State Department's report on the United Kingdom's participation in ERP, on page 46 of chapter XVI, recognizes that the United Kingdom is scheduling substantial production of equipment for the petroleum industry and furthermore that this is aimed at an expansion of the production, transportation and refining facilities in connection with British-controlled oil in the Middle East.

Furthermore, there is no injunction or prohibition in our plans for extension of ERP money to Great Britain which prevents her from manufacturing arms with our funds and materials for resale to her own armaments customers—chiefly the Arab states.

Hence we are now going blindly on our self-destructive way, uncomprehendingly handing out billions to Britain which will be used in great measures to oust us and our democratic influence from the Middle East; to undermine and eventually destroy the effectiveness of the United Nations as a world instrument for peace; and to make the pledged word of honor of the United States a mockery to democratic peoples the world over, who are watching eagerly and hopefully the efforts of democratic Israel to launch a people's nation in the midst of almost prehistoric feudalism.

I, for one, can think of a multitude of better, more honorable and far healthier ways of spending the hard-earned money of American taxpayers.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. FULTON] is recognized.

Mr. FULTON. Mr. Chairman, I am one of those people who disagrees with England's policy on Palestine, but I do not blame the difficulties in Palestine entirely on Bevin. I blame the tragic situation to a great degree on the vacillations in policy of a man named Truman right here in the United States, and the weakness of the United Nations to implement its policies.

Secondly, this bill is not a reward. This bill is passed for the purpose of establishing a peaceful and prosperous world and for the maintenance of economic conditions that will give us that.

Great Britain, with her vast territories and with her vast industrial democracy, is one of the keys, along with Germany,

to this peaceful world. We need this legislation passed for the full amount of the original authorization for the participating countries including Great Britain, to provide an economic basis upon which we can all live and have peaceful democratic institutions.

So I ask that this amendment be defeated.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, everyone knows that I am not in favor of this bill. But I am not in favor of insulting the British people. If a mistake was made by President Truman in recognizing the so-called state of Israel, it is not up to the Congress to rake his chestnuts out of the fire.

The British people, the English-speaking people, whatever you may say of them, are the best friends we have outside of the United States.

Let me say to these gentlemen from New York [Mr. CELLER, Mr. JAVITS, and Mr. KLEIN] that Great Britain was the only country in which your people could lay their heads in peace for hundreds of years.

To get up here now and try to smear the British people and let it go out as the voice of the American Congress is the height of stupidity.

I say that this amendment should be voted down, and it will be voted down by an overwhelming majority.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, there are none so stupid as those who will not learn. We are not insulting Great Britain here. We are not finding fault with Great Britain for the days when she spoke and preached and practiced democracy. We are telling Britain or the British people, "Tell your leaders that democracy is still the way of this world and, if you want it, do not support anarchy."

Mr. Chairman, I am supporting this amendment, but I rose mainly at this time to ask unanimous consent on behalf of my colleague from New York [Mr. KEOGH] that his remarks in support of this amendment may be extended in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Chairman, the recognition by our Government of the state of Israel is an affirmative indication of our good-will towards that newly created government. It is difficult for me to understand why any friendly ally of ours should undertake to pursue a foreign policy that is in direct conflict to ours. It is, of course, the right of any country to adopt its own foreign policy whether it conforms with ours or not but the country that does so run counter to the established policy of ours should not expect at the same time to be permitted to participate in any program of mutual cooperation and economic rehabilita-

tion. For these and the reasons stated by more informed and capable Members, I believe that no aid under the Economic Cooperation Administration should be afforded to Great Britain unless and until it conforms its Palestine policy with ours.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 12, noes 145.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto be limited to 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FULTON. Mr. Chairman, I object.

Mr. TABER. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 30 minutes.

The motion was agreed to.

Mr. TABER. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 10, lines 13 and 14, after the word "used", on line 13, strike out the following: "by any procurement agency of the United States Government."

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Will the Chair inform the Members how the time is to be divided under the limitation? Will it be divided between the Members standing at the time the limitation was ordered? Or will it be controlled by the chairman of the committee?

Mr. FULTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. How many amendments are at the desk?

The CHAIRMAN. The Chair is unable to determine how many amendments are at the desk or how many will be offered.

As many Members will be recognized for a period of 5 minutes each as may be possible during the 30-minute period set by the committee unless the committee directs otherwise.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Would it not be possible for the Chairman to determine the number of amendments now at the desk and then divide the time which has been apportioned among the sponsors of the amendments?

The CHAIRMAN. First, permit the Chair to suggest that those who desire amendments send them to the desk so they can be included.

The Clerk advises there are 10 amendments pending at the desk.

Mr. HALLECK. I thank the Chair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

Mr. LYNCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LYNCH: Strike out the period on line 16, page 3, after the figures 1948 and insert a colon and add the following words: "And provided further, That no part of the funds appropriated herein shall be paid over or transferred or placed to the credit of, or otherwise made available, directly or indirectly to Great Britain until the President of the United States, after investigation, certifies that he is of the opinion that Great Britain is not selling, leasing, lending, or making otherwise available war material to any member of the Arab League, and that he further certifies that Great Britain has given to the United States Government satisfactory assurance that it will not thereafter sell, lease, lend, or make otherwise available war material to any member of the Arab League, which will or may be used to render inoperative the recommendation of the United Nations General Assembly for the partition of Palestine made on November 29, 1947."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, this is legislation on an appropriation bill and requires additional duties of officials of the United States.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. LYNCH. Mr. Chairman, would the gentleman be good enough to withhold his point of order for a minute?

Mr. TABER. Mr. Chairman, I reserve the point of order.

Mr. LYNCH. Mr. Chairman, the amendment which I have presented is quite different from the one which you have just voted down so overwhelmingly. It has to do with providing that any moneys which may be given to Great Britain shall not be used for purposes either directly or indirectly of making the recommendations of the United Nations General Assembly relative to the partitioning of Palestine inoperative. I believe it is the sense of this House that the recommendation of the United Nations General Assembly should be carried out as far as possible.

Mr. Chairman, I desire in the brief time allotted me to say a few words with respect to the purposes of my amendment which reads as follows:

Strike out the period on line 26, page 3, after the figures 1948 and insert a colon and add the following words: "And provided further, That no part of the funds appropriated herein shall be paid over or transferred or placed to the credit of, or otherwise made available, directly or indirectly, to Great Britain until the President of the United States, after investigation, certifies that he is of the opinion that Great Britain is not selling, leasing, lending, or making otherwise available war material to any member of the Arab League, and that he further certifies that Great Britain has given to the United States Government satisfactory assurance that it will not thereafter sell, lease, lend or make otherwise available war material to any member of the Arab League, which will or may be used to render inoperative the recommendation of the United Nations General Assembly for the partition of Palestine made on November 29, 1947."

On March 9, 1948, I spoke on the floor of the House and at the time stated that

the Palestinian question was not solely a Jewish problem, but that it was an American problem, a world problem. Today I am more convinced than ever of the soundness of my judgment and the truth of my words. I feel that subsequent events have justified the fears I expressed when, in my last address before you on this subject, I said:

I contemplate only with the deepest feeling of anxiety the plight of the thousands of Jewish people in Palestine today, many of whom escaped the concentration camps of Europe only to be faced with possible annihilation by the Arabs, as the United States and the other world powers, members of the United Nations, with unparalleled hypocrisy say, in effect: There is no outside aggression. This is a Palestinian domestic problem. There is no threat to world peace in Palestine.

Today we see the state of Israel in actual existence and its de facto government recognized by the United States. But, unfortunately, we also see the continuation of that policy of diplomatic duplicity that has so characterized Great Britain in the years gone by. Through pledged to a policy of a homeland for the Jews in Palestine we have seen in the last 30 years a policy of double-crossing and double-dealing on the part of the British Government with respect to Palestine that makes the average American, used to aboveboard dealing, sick at stomach and heart, whether he be Jew or gentile.

Today, in my judgment, the chaotic condition in the Middle East, resulting from the failure to enforce the Palestine partition decree, is a threat to the peace of the world. That threat has been encouraged by the aid that Great Britain has given in planes, arms, munitions, and war materials to the Arab states which in turn are being used to defeat the decree of the United Nations.

My amendment would prevent future such shipments by Great Britain to the Arab states and it would require firm assurances that the practice would not be resumed in the future. This amendment is one way to truly bring about a cessation of bloodshed in Palestine and is an aid in the enforcement of the recommendation of the General Assembly with respect to Palestine.

This amendment is in accord with a feeling I have long entertained and which I expressed as far back as October 14, 1945, at a dinner of the American Jewish Congress in New York when I said:

I appreciate the efforts of our President, but we must face the stubborn fact that there can be no appeasement of British imperialism. Whether the new British Government will accept the recommendation of President Truman seems doubtful, but whether it does or not, the real question as to whether the doors of Palestine shall be closed to the Jews by the British until the Arabs give their consent that they be opened, remains unsolved. It would not long remain unsolved if the United States, giving expression of its displeasure with a nation that repudiates its pledges, refused economic assistance to Great Britain, and to that end I pledge you my best efforts.

This amendment is the expression in positive action of my words of 3 years ago.

(Mr. LYNCH asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The amendment offered by the gentleman from New York contains a limitation upon an appropriation bill and also embodies legislation; therefore the Chair sustains the point of order.

The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Wisconsin:

On page 2, line 19, after the word "Provided" and before the word "That", insert the following: "That of the amount herein appropriated not less than \$65,000,000 shall be utilized for acquiring in the United States nonfat dry milk solids: *Provided further.*"

Mr. MURRAY of Wisconsin. Mr. Chairman, I wish to impress upon every Member of this House that if this is a relief program we are letting something happen in the United States in connection with dried skim milk that we should not allow to take place. Two of the cheapest protein foods in the United States today are peanut butter, a vegetable protein and a vegetable fat, and the other is dried skim milk, a high quality animal protein food.

I am not offering this amendment because I happen to come from the great State of Wisconsin. Last summer in Europe I saw many evidences of the fact that we were not using our dollars wisely in procuring the most food that could be obtained for the dollar. Dried skim milk has 35.6 percent protein or about twice as much protein content as meat. The dried skim milk can be purchased for one-third or one-half what a pound of meat can be purchased for.

As a part of this relief program I feel that we should insist on using this dried skim milk that can be available in larger and larger quantities. There may be some information given to the Appropriations Committee as follows: "We will buy all the skim milk we can." Maybe that is the answer, but the only answer I want is the one that puts it in the bill and says that there are \$65,000,000 to be used to buy the cheapest and greatest animal protein food that can be found in the United States. The children and the people of Europe need this animal protein food and if or food dollars are provided this is the place to use them to the best possible advantage.

No one wants to be misled by the expressions of would be food purchasers that this product is not available in sufficient amounts. Much of it is being used for animal feeding today. The purchasing agents cannot expect to obtain it at one-half what it is worth as food. The price today is about the same as the OPA price and has not advanced like other foods have in price.

If this money is to be used as relief from hunger, let us make available the best possible food that can be obtained for the money expended.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Arizona.

Mr. MURDOCK. The suggestion of the gentleman is a very good and sound one, and I hope his amendment will carry.

Mr. MURRAY of Wisconsin. I thank the gentleman. Everyone knows that in our national school-lunch program we are feeding our children the same defatted skim milk. Over 7,000,000 pounds were purchased for this purpose from section 32 funds. I am not putting anything over on the children of Europe or any place else. I want to give them the same that we in the United States give to our own children. I hope you will accept this amendment. It really has merit and makes nutritional sense and economic sense as well.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I doubt the wisdom of this amendment. As I understand the proposed program, it already includes \$133,500,000 for dairy products. It is evident, therefore, that there is already in contemplation provision for the commodity which the gentleman has in mind. I doubt very much the wisdom of tying the Administrator's hands as this particular amendment suggests.

I ask that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. MURRAY].

The question was taken; and on a division (demanded by Mr. MURRAY of Wisconsin) there were—ayes 61, noes 58.

Mr. MILLER of Connecticut. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 10, line 16, after the word "Corporation", strike out "pursuant to act of July 1, 1941 (55 Stat. 498), as amended," and insert in lieu thereof the following: "or the Department of Agriculture pursuant to any price support or stabilization program."

Mr. HOPE. Mr. Chairman, this is merely a clarifying amendment. In section 202 it is provided that no funds shall be used to purchase goods at more than the market price except those commodities which are in the possession of the Commodity Credit Corporation and which have been acquired under the Act of July 1, 1941. That is the Steagall amendment. Now, the Steagall amendment is going to expire on December 31. It is going to be succeeded by legislation which will extend the price support program, but unless you include the language that I have offered there will be no way by which the commodities acquired by the Commodity Credit Corporation or the Department of Agriculture after December 31 or commodities acquired under other legislation can be used under this program when the investment of the Government is more than the current market price. There will undoubtedly be commodities so acquired, and this amendment is offered so that those goods may be used under this program.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am afraid of this amendment, frankly. I am afraid it is an omnibus proposition which will bail out all the losses of all the set-ups all the way through, and that the ECA will be bankrupt because it cannot get the money to operate. That is the way it looks to me. I do not believe we ought to adopt the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE].

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 59, noes 69.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 3, line 16, after "1948" insert "And provided further, That all sums granted, lent or used to or for any country under this act shall be reduced by any and all sums granted, lent or used directly or indirectly by or for such country to or for the account or benefit of any country, State, or people engaged directly or indirectly in acts of aggression as determined by proclamation of the President of the United States of America or by the United Nations."

Mr. TABER. Mr. Chairman, I make the point of order that this is legislation on an appropriation bill, and requires additional duties of officers of the United States.

Mr. MULTER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York on the point of order.

Mr. MULTER. Mr. Chairman, this amendment is different from the one that was ruled out of order a few moments ago. That sought to withhold all funds. This seeks to reduce the amount of any funds given to any country by the amount that country may be using to help any aggressor nations. In other words, it is a reduction in the amount of the aid. Therefore, I believe it is not legislation.

The CHAIRMAN (Mr. COLE of New York). The Chair is ready to rule.

In the opinion of the Chair, the amendment offered by the gentleman from New York contains legislation and, therefore, is subject to a point of order. The Chair sustains the point of order.

Mr. MULTER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the requests of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Chairman, the intention of this amendment is to reduce any aid given to Britain or any other country to the extent of any aid that such country may give to any of the Arab aggressor nations. It has been said on good authority that Britain has been giving and lending money to other countries quite aside from the help it is giving to the Arab aggressors. I am opposed to our giving any moneys to a foreign country to that extent also. There is no reason why Britain should use its money to help other countries, pretending to them that it is their benefactor, when

Britain could never do that except that we made the money available to her. If any country is entitled to aid from us, we should give it to them directly. That question, however, was debated on the floor of the House previously and the objection such as I have raised here did not have the support of the majority of the House.

I am hopeful that now that it is admitted by Britain that she is spending upward of \$46,000,000 a year to help maintain the Arab nations, and while the Arab nations flout every effort to establish peace in the Middle East, we will not be a party to indirectly helping them carry on their hostilities. If Britain will not do the right thing and withhold help from these aggressor nations, the least the Congress should do is withhold an equivalent amount of money from her. This will force her officials, who are not heeding the opinion and will of her people, to withdraw from the Middle East and give attention to her domestic problems.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 3, line 16, insert the following: "Provided, That none of the funds herein appropriated shall be used for the purchase of tobacco."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the passage of this bill today will bring great joy to the groups of speculators throughout the world who have purchased hundreds of millions of dollars worth of cotton and other commodities anticipating that this legislation would be passed, and that they would be given the opportunity to profit by it. Cotton has been driven up 8 cents a pound, and other commodities have also been driven up. People from China, Mexico, and all over the world have gone into the commodity markets during these weeks and are now sitting by waiting to reap their reward at the expense of the American people. I have offered the amendment to prohibit the use of any of this money for the purchase of tobacco. The report states that the purpose of this aid was twofold. First, through direct grant to help feed, clothe, and house hungry and impoverished humanity. When the children of these countries come asking us for food which they must have, and which they must pay for in order to get, we offer them tobacco. When they ask for clothing, we offer them tobacco. When they ask for housing, we offer them tobacco. Yes, let us take care of them, but let us give them food, clothing, and housing, and not tobacco.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Chairman, the justification for the Marshall plan is twofold. One is to build up the European countries as a bulwark against communism. Secondly, and of equal importance to our country, is to provide and safeguard an export market for our commodities today and in the years to come. I am certain that Mr. Hoffman, and the others who are to administer the ERP, are well aware that these are

the two chief reasons for the congressional approval of the Marshall plan.

Exhaustive studies by congressional committees, the State, Agriculture, and Commerce Department, commissions appointed by the executive branch, and private organizations have given us the needs of the western European countries as accurately as is possible. Congress in passing the legislative authorization for this plan has based its estimate of the amount of money needed on this research. The Administrator cannot, however, carry out these wishes of Congress and the people of our country, as expressed in Public Law 472, if he is to be hampered by punitive restrictive measures as to the commodities to be made available. This public law does not authorize either favorable or unfavorable treatment for any commodity, but provides for uniform treatment for all. None of the funds are earmarked for any commodity. The estimates as to dollar requirements are based upon estimates as to commodity requirements. If it should be decided that the funds could not be used for the purchase of any commodity, then the production of that commodity would have to be expanded in European countries with a proportionate reduction in the production of other commodities. The effect of this would be to establish an uneconomical pattern of production both in western Europe and the United States.

Country	Year	Amount of revenue from monopoly	Percent of total government revenue
Austria-----	1947	96 million dollars-----	33.7
	1948	131 million dollars (estimated)-----	25.0
Belgium-----	1947	74,443,750 dollars-----	7.2
France-----	1946	142 million dollars-----	10.5
Italy-----	1946-47	52,557 million lire-----	16.9
	1947-48	64,207 million lire (estimated)-----	12.9

In nonmonopoly countries, notably the United Kingdom, the import duties received from tobacco add greatly to the revenue of the government. For example, in the United Kingdom during the fiscal year ending March 31, 1947, the Government of that country received \$1,798,619,015 from excises and customs on tobacco. This is 15 percent of the total income. The revenue of each country was taken into consideration in estimating the cost of the ERP and any curtailment of these revenues will result in either increased cost to the United States, if Public Law 472 is to be properly carried out, or the undoubted failures to balance budgets in many western European countries and thus perhaps the bringing about of a dangerous inflation. I do not need to say that a new wave of inflation in Europe would seriously endanger the success of the ERP.

In addition to money for the ERP we are also considering an appropriation for aid to China. The economic problems and conditions in China are equal to, and in some cases more severe than, those in western Europe. For a number of years the manufacture of cigarettes has been a major industry in China. At the present time it is the third largest industry of that country. Approximately

In writing this law, Congress was particularly mindful of the commodities now in surplus supply in this country. Chief among these are dried fruits and tobacco. There are those, however, who wish to go in the face of the "hands off" policy adopted by Congress in reference to commodity restriction and restrict or delete tobacco from the list of commodities needed by western Europe. There are various reasons for the inclusion of tobacco by the experts who have done the research on this matter.

Western Europe will not be on her feet again until her industrial production has been revived; even then it must be maintained on a high level. It was demonstrated during the war that industrial production can be maintained at a higher level when tobacco products are available.

If the governments of Europe are to take advantage of the Marshall plan and use it to build themselves up again, and keep its cost to the United States as low as possible, they must needs have sufficient revenue from their own sources to supplement Marshall-plan money. In most of the ERP countries the governmental monopolies on tobacco make this product an important and steady source of revenue. Listed below are some recent statistics on the governmental revenue derived from these monopolies in several ERP countries:

25 percent of the tobacco used in this industry is imported from the United States. The income from the tobacco industry is of vital importance to both the people and the Government of China. For example, from the excise taxes alone on tobacco, the Chinese Government receives approximately one-sixth of her total governmental income.

It has been demonstrated in the occupied countries that tobacco has been successful in improving the morale of the people. Undoubtedly, research would show this same thing to be true for any country laboring under the conditions now existing in Europe. The importation of tobacco into countries has helped greatly to break up black markets.

Congress has already taken cognizance of the importance of tobacco in rebuilding Europe. In considering the recent supplemental appropriation in the special session of this Congress, the Senate entered the following statement in its report to accompany H. R. 4748:

Testimony before the committee (Appropriations) showed a pressing need for tobacco in Germany, to stimulate production, improve morale, break the black market, and rebuild a permanent demand for export grades of American-grown leaf tobacco which is now in surplus supply. The committee agrees that these are desirable ends

and, therefore, recommends for the favorable consideration of the Department of the Army that an appropriate part of the import-export funds be used for the purchase of surplus leaf tobacco held by the Commodity Credit Corporation for use in the occupied areas and that said Corporation dispose of such tobacco on the terms suggested in subsection (e) of section 11 of the Foreign Aid Act of 1947.

The countries of Europe want tobacco. Our research authorities say that it is necessary to the expeditious industrial recovery of western Europe. The tobacco farmer and exporter vitally need the rebuilding of our foreign markets. Therefore, in keeping with the desires of Congress as expressed in the legislative authorization for the ERP, I urge that there be no discriminations against tobacco or any other commodity in this appropriation bill.

This is no time for either sectional or party politics, rather for united action. Let us therefore follow the wishes of this Congress and the people on this bipartisan matter and appropriate the amount requested by this public law and allow it to be used at the discretion of the Administrator with the advice of the National Advisory Council and our own joint congressional committee thus assuring the efficient disbursement of this money in the most effective manner.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. JENNINGS. Is it not a fact that the Government has already got its money invested in this tobacco, which we propose to send over there, and is it not true, also, that these people have requested it, and that if the amendment is adopted it would be a blow to the tobacco growers in all of the tobacco-growing States in the Union?

Mr. KERR. The gentleman is absolutely correct.

(Mr. KERR asked and was given permission to revise and extend his remarks.)

(Mr. MITCHELL asked and was granted permission to revise and extend his remarks at this point in the RECORD.)

[Mr. MITCHELL addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. CHAPMAN asked and was granted permission to revise and extend his remarks at this point in the RECORD.)

Mr. CHAPMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] which, if adopted, would deprive the countries which are the intended beneficiaries of the European recovery program of the American tobacco which they earnestly desire and badly need. Their want for American tobacco is so great that there would not be a surplus pound of tobacco in this country if the countries of Europe had money to buy it.

Their need for tobacco was recognized by some of us who are Members of the House when we began holding meetings in January 1947 and conferring with tobacco growers, tobacco dealers, and officials of the Department of Agriculture about ways and means to satisfy

the desire of European peoples for burley, flue-cured, dark air-cured, and fire-cured tobacco. We have continued our efforts through the months up to this hour when the realization of our hopes is threatened by this amendment to withhold any appropriation for tobacco as part of the European recovery program.

The importance of tobacco and tobacco products for incentive purposes was recognized officially by the able, industrious, and conscientious Herter committee; it was recognized by the Committee on Foreign Affairs, and approved by the Congress in the interim aid program. Eighteen months ago we cited a highly respectable precedent in the action of former President Hoover, who several years ago, in an article in *Colliers*, described his experience as an administrator of European relief for the United States following the First World War. He found it difficult to get enough coal mined in Austria, and decided to try tobacco as an incentive product to increase production. He used relief money to buy tobacco from the Army to give to coal miners to induce greater production, and the experiment proved successful. Tobacco was wisely included in the Economic Cooperation Act of 1948.

The European countries want it not only as an incentive commodity; not only as a splendid morale builder, which universal human experience has proved it to be. They want it to rehabilitate their industry; to start their prewar tobacco factories in operation. They want it to give useful, remunerative employment to their idle or poorly paid people. They want it to break the terrible black market in cigarettes which is fostering lawlessness and making criminals of their boys and girls. They want it because it is one of the most valuable sources of revenue for the empty treasuries of their bankrupt governments. Tobacco is the only product in the European recovery program that will supply the greatest need those governments have—taxes.

Their taste for American tobacco was cultivated by millions of young Americans in uniform, the greatest salesmen that ever went forth from any land. It behooves us to keep alive that taste for one of the most important products of the soil and toil of American farmers, the principal money crop and foundation of the economy of several sovereign states. We can satisfy their desire for burley, flue-cured, dark air-cured and fire-cured tobacco and, in so doing, lay the foundation of a permanent, continuing market that may help to solve the perennial surplus problems of American tobacco growers. Yes, the European peoples want tobacco, the farm product that paid \$1,200,000,000 into the Federal Treasury last year; tobacco, the great incentive product and morale builder; the fragrant, aromatic, golden tobacco, whose spirit, when released by fire brings comfort and solace to countless millions of people of every race and every clime.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were—ayes 66, noes 87.

So the amendment was rejected.

EFFECT OF REDUCTION OF GREEK-TURKISH AID APPROPRIATIONS FROM AUTHORIZED \$275,000,000 TO PROPOSED \$200,000,000

Mr. TEAGUE. Mr. Chairman, the report of the Appropriations Committee proposes a total appropriation of \$200,000,000 for military assistance to Greece and Turkey under title III of Public Law 742, instead of the full amount of \$275,000,000 authorized by that law. I have learned the amount of \$275,000,000 is considered by the Department of State and our Military Establishment to be the minimum amount necessary in the fiscal year 1949.

The committee report justifies the proposed limitation on the appropriation mainly by assuming that the war against the Communist-led guerrilla forces in Greece will be successfully concluded in late 1948 and that this event will permit curtailment of the rate of military assistance to Greece. The committee report also bases its recommendation partly on the existence of a substantial unobligated balance of fiscal year 1948 program funds as of April 30, 1948.

The military requirement for Greece is based on a continuation of the present level of support by this country of the Greek armed forces, engaged in a supreme effort to locate and destroy elusive guerrilla forces which are supplied from abroad and which threaten the Greek national integrity. The Greek armed forces cannot continue this war without our assurance of sustained support in event of need. No one can predict, and no United States military authority has undertaken to predict, just when the war against the guerrilla forces can be brought to a successful close by the Greek forces. Certainly the limited successful operations this summer do not yet assure victory. Certainly, no military supply program can ever be based upon such a dangerous assumption. The goal of victory was never risked in such manner by the United States in time of war.

The appropriation of an amount substantially less than the \$275,000,000 authorized by the Greek-Turkish Aid Act of 1948 on the principal assumption that the Greek military campaign against the guerrilla forces will be successfully concluded in late 1948, and curtailment of military and naval assistance to Greece thereby rendered possible, would have very serious effects on the achievement of United States objectives in Greece.

Supplies and equipment which may be needed in the last half of the fiscal year 1949 can be cancelled from the supply pipeline if successes of the Greek armed forces should make them unnecessary, with a resultant saving in United States aid funds. But the procurement lag of from 4 to 6 months which obtains in such supply operations would make their supply in time quite impossible, no matter how great the need in 1949 might be, if their procurement had not been initiated long before the question of need in 1949 had been conclusively answered.

Moreover, a reduced appropriation I believe would seriously undermine Greek military and civilian confidence in the ability of the Greek armed forces successfully to eliminate the guerrilla menace, and in the continuity of United States policy towards Greece. This would be singularly unfortunate at a time when the morale of the Greek forces and the Greek people has been greatly lifted by recent successful operations against the guerrillas.

The result of reducing the appropriation could be to prolong the Greek war against the guerrillas and greatly increase the cost of an ultimately successful conclusion. It might indeed even jeopardize the attainment of the fundamental United States objective of aiding Greece to preserve its national independence and territorial integrity, and to achieve economic recovery. A clear indication to the guerrillas that the bulk of the United States aid would be expended by late 1948 would invite them to avoid major engagements with the Greek armed forces until that time, when they might hope to face Greek forces whose supply lines had greatly diminished or been exhausted.

The reference of the committee report to unobligated funds is unfortunate in that it does not reflect the true status of funds under the fiscal year 1948 program. I am told the following facts are the true facts:

The total allocation of such funds to the programs of military and naval assistance to Greece and Turkey, amounting to \$172,000,000 for Greece and \$100,000,000 for Turkey, has as of this date been completely exhausted by commitment to the procurement of goods and services required in the fiscal year 1948 aid programs. In addition, fiscal year 1949 funds in the amount of \$50,000,000 have been advanced by the RFC under the provisions of the Greek-Turkish Aid Act of 1948 and \$40,000,000 of this sum allocated to the service departments for implementation of the fiscal year 1949 military and naval aid programs under that act. Of the \$40,000,000, an amount of \$22,000,000 has already been committed through issuance of procurement directives, and the remainder will shortly be committed.

In the case of Greece, the Army Department has as of June 4, 1948, issued directives to procure or supply a total of \$154,000,000 against 1948 fiscal year funds which, with the reserve of \$5,000,000 for price increases and other contingencies, entirely commits the funds allocated from fiscal year 1948 appropriations for Greek military aid under the Greek-Turkish Aid Act of 1947. The Army Department is also issuing similar directives amounting to \$20,000,000 against fiscal year 1949 funds for Greek military aid advanced by the RFC and allocated to the Army Department under the Greek-Turkish Aid Act of 1948. Once such a directive has been issued, the funds that make its issuance possible become unavailable for any other procurement and cannot form the basis of future supply planning.

The Navy Department also has issued supply directives which similarly com-

mit the entire amount of roughly \$13,000,000 allocated to the Navy Department for the fiscal year 1948 Greek naval aid program, and is currently committing an amount of \$2,000,000 under the 1949 fiscal year program from funds advanced by the RFC.

I have also been informed that the requirements of the Turkish military and naval aid program for the fiscal year 1949, underlying the request for a total of \$275,000,000 for Greece and Turkey, were greatly reduced from those recommended by the Chief of the American Mission for Aid to Turkey (the American Ambassador) and cannot be reduced further without seriously impairing the value of the fiscal year 1949 program as a complement of the first year's program to further the United States objective of assisting Turkey to create effective military and naval forces for purposes of defense. Consequently the diversion of funds from the Turkish to the Greek military and naval aid program would be extremely difficult. It would, furthermore, be a serious blow to the confidence of the Turkish people in the continued ability of their forces to defend their security and in the determination of the United States to assist them in their resistance to Communist pressures.

In the case of Turkey, all the \$100,000,000 of the fiscal year 1948 aid funds have been virtually committed through issuance of procurement or supply instructions, or by earmarking for specific undertakings, except for a contingency reserve of \$3,700,000 held against the possibility of price increases on supplies ordered and other contingencies.

Mr. JUDD. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 5, line 12, strike out the word "supervised" and insert the word "administered."

On line 14, strike out the words "requirements of supervision" and insert "administration."

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. TABER. I would say to the gentleman that I will not object to this amendment. It is merely clarifying the language.

Mr. JUDD. I thank the gentleman.

Mr. CANNON. Mr. Chairman, we are entirely willing to accept the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The amendment was agreed to.

Mr. FULTON. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 5, line 10, strike out "\$400,000,000" and insert "\$463,000,000."

Mr. FULTON. Mr. Chairman, I want to explain briefly what this amendment does. My amendment increases aid to China by \$63,000,000. In February the State Department came up with \$570,000,000 as the minimum economic and military aid for China. The actual justifications before the Appropriations

Committee showed without contradiction that it should be at least \$463,000,000. There is military aid in this amount for China, of \$125,000,000, and economic aid of \$338,000,000. China has 300,000,000 of her 450,000,000 people in the part that has not been taken over by the Communists so that the actual amount of aid is very small indeed compared to the aid being given per capita to Greece and other countries.

I understand that the subcommittee of the Committee on Appropriations wanted the amount of \$463,000,000, but the subcommittee was overruled closely in the full Appropriations Committee. I am not asking for a vote on this amendment at this time because of the limited time, but I hope the conferees will carefully consider the danger in China and am therefore raising the issue of restoring this appropriation to China. It was pointed out by our United States generals and admirals who came back to testify that China is safeguarding our flank. China has been a good long-time friend of the American people.

Mr. CASE of South Dakota. Mr. Chairman, do I understand that the gentleman is withdrawing the amendment?

Mr. FULTON. Mr. Chairman, I am not asking for a vote at this time. I will ask that the next amendment be read.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 7, line 21, strike out the colon and all the following down through and including the end of line 3 on page 8.

Mr. FULTON. Mr. Chairman this amendment refers to the increase of jurisdiction of the Joint Committee on Foreign Economic Cooperation. The provision as now written extends the jurisdiction of that committee to GARIOA, which means appropriations for government and relief in occupied areas. That field is really the jurisdiction of the Armed Services Committee, and is not the jurisdiction of the new joint committee that was set up under the Senate bill, S. 2202, the authorization bill for the appropriations which we have under discussion. I am against extending the jurisdiction of special committees into fields where they do not belong. And let me say that I am a member of the Joint Committee on Foreign Economic Cooperation. However, it is the job of the Armed Services Committee to cover legislation in this field in conjunction with the Appropriations Committee and I think they are doing a good job. We Congressmen who were put on the joint committee should tend to our own knitting doing the job Congress told us to do as outlined under the Authorization Act, S. 2202. If we perform the watch-dog services as already outlined, we will continue to be very busy indeed.

Mr. CASE of South Dakota. Is the gentleman asking for a vote on this amendment?

Mr. FULTON. Yes; I ask for a vote on it.

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from South Dakota [Mr. CASE] is recognized for 1½ minutes.

Mr. CASE of South Dakota. Mr. Chairman, this provision applies to the so-called GARIOA appropriation, that is the funds expended for Government relief in occupied areas.

This bill carries \$1,250,000,000 for Government relief in occupied areas which is entirely distinct from the military appropriations for the Army in these areas. This deals with the economic program of assistance to the occupied areas. It comes under no congressional review today whatsoever. The only place it is ever reviewed is when this question of appropriations comes up. The economic policies followed by the military government in Germany determine the rate of recovery in Germany.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. No; I have only a minute and a half.

And it should be remembered that the occupied countries do come under ECA as far as their rehabilitation programs are concerned; they tie in with the economic features of the GARIOA funds, the pure relief program, required under the occupation.

So the committee felt the economic programs in the occupied countries should be supervised together; indeed it would be difficult to say the so-called watch-dog committee should look at the ECA funds in Germany and not look at the GARIOA funds, both being used for wheat or fats or fertilizer, and so forth.

And the operations of the military government as distinguished from the army of occupation—the military government that is operating the policies and the economies of Japan, Korea, and Germany, should come under congressional review.

So we provided that the joint congressional committee which the Congress set up to supervise the ECA program also have an opportunity to look at what the military government is doing in the same field in the same country. It is a bipartisan committee. It represents both bodies of the Congress. That certainly is a fair proposition and it ought to stay in the bill.

The amendment should be voted down.

The CHAIRMAN. The question is on the amendment.

Mr. SADOWSKI. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SADOWSKI. Time limit for debate on amendments to the bill was fixed at 30 minutes. Three or four amendments have been ruled out of order and on some amendments there was no debate at all. There should be about 12 minutes, according to the time table, left under the original motion of limitation.

How will that extra time be divided?

The CHAIRMAN. In accordance with the request put by the Chair when the

Chair said there were nine amendments pending at the desk, a minute and a half was allowed for and a minute and a half against each of the nine amendments.

Mr. SADOWSKI. We have about 12 minutes left.

The CHAIRMAN. There will be no time left.

Mr. SADOWSKI. There should be time left under the original 30-minute limitation.

The CHAIRMAN. But subsequently the Committee agreed to the suggestion made by the Chair and there was no objection.

The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

The CHAIRMAN. The Clerk will report the next amendment offered by the gentleman from Pennsylvania, [Mr. FULTON].

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 8, line 14, strike out the colon and the remainder of the sentence to the period on line 20.

Mr. FULTON. Mr. Chairman, I can explain this very quickly. This is an important amendment that affects displaced persons' camps.

As chairman of the subcommittee of the Foreign Affairs Committee on Displaced Persons I wish to report that our members, the gentleman from New York, Congressman PFEIFER, the gentleman from Kentucky, Congressman CHELF, the gentleman from New York, Congressman JAVITS, and myself, went all over the displaced persons' camps in Europe this last fall. I want to point out to the Committee that the section reads:

None of the funds appropriated herein shall be available for contribution to the IRO until such time as there are effective agreements—

And so forth. It does not say by whom the agreements shall be effected, whether by the IRO or by military authorities or by the participating countries. Also there are DP's all over the world in countries that are not participating countries, and some are in Trieste which is certainly not a country but a city. In addition the various zones in the same country are on different calorie levels, for example, the British and American zones in Germany.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. VORYS. Is it not true that this language which the gentleman would strike out would force the United States to violate an international organization of which it is a member and violate the agreement it has made with this international organization?

Mr. FULTON. That is right.

Mr. VORYS. It certainly is a very stupid way to attempt to legislate on an appropriation bill to require a unilateral violation of the provisions of an international agreement in which we have taken part.

I hope the amendment is adopted.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. JAVITS. Is it not a fact that the agreement also provides for children, the infirm, and the sick, and aged?

Mr. FULTON. Yes, there are various categories of persons such as you have mentioned who are on a different calory level than the ordinary person. An additional classification are people doing heavy work. The provision as now written is unworkable, as who can set the calory level prevailing in the country in which such camps are located, when the country is China. Also this method of drafting the provision would cut off all voluntary American charities and just wait until they realize the scope of what you are doing. American charitable organizations, wake up and make your protests heard.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Time has been fixed by the committee.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. NICHOLSON. I object.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania. The amendment offered by the gentleman would continue this distressing condition that exists in the DP camps, where they have two to three or four times the calory rations that exist in the communities outside of the DP camps. This has resulted in the complete demoralization of those people, and, instead of getting out of there as fast as they can, they stay in. This makes for a very bad situation and creates a terrible feeling in places where the camps exist. I saw that myself, and I feel it is a situation that is crying aloud for correction.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I rebut what the gentleman said that they have double the calories. In Germany they have 1,550 calories as the basic ration. These people get that. Then the Army supplies them up to 2,000 calories. But the way you have drawn it here you cannot tell what the calories are, because you say, "In a country where they are." Now, there are displaced people in China, there are displaced people in Africa, there are displaced people in military zones and in the city of Trieste. They are not included the way you have it.

Mr. TABER. What we need to do is to get them to move out of those camps.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON.]

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 37, noes 102.

So the amendment was rejected.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON:

On page 9, line 5, strike out all after the comma down through the colon in line 9.

Page 9, line 19, strike out all of line 19 down to the colon in line 23.

Mr. FULTON. Mr. Chairman, this amendment strikes out the provision that requires a member of a labor organization to be kept off the pay roll under this act, if the officers of that union have not complied with the affidavit provisions of the Taft-Hartley bill. I never did like the provisions of that affidavit because I think it is a restriction on the freedom of speech and civil liberties of the American people and, secondly, I am sure they do not have people in Russia who are required to sign affidavits that they are not Americans. It is reducing the dignity of this Government to require it, and is probably unconstitutional.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON]. The amendment was rejected.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for 1 minute to announce the program for next week because after the vote many Members will be leaving.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Chairman, upon conclusion of the consideration of the bill this evening it is our purpose to adjourn until Monday.

Monday is District day and I understand there are a number of bills from the District Committee to be considered.

A rule has been granted on H. R. 6396, the displaced persons bill, which will be called up and debate started as soon as the bills on the District Calendar have been disposed of on Monday.

On Tuesday we will call the Consent Calendar, the Private Calendar, the omnibus bill, which contains certain private bills, the Railroad Retirement Act under suspension of the rules, and then will continue with H. R. 6396, the displaced-persons bill. It is probable that on that day we will plan to come in early. However, on Monday, we will come in at 12 o'clock.

Wednesday we hope to have ready for consideration the independent offices appropriation bill. That will be followed by H. R. 6248, a bill to extend the farm program, reported by the Committee on Agriculture.

Then for the balance of the week, if rules are granted, we plan to take up H. R. 6263, extension of commodity credit; H. R. 6401, selective service; H. R. 6777, extension of social security; H. R. 6712, revision of the Internal Revenue Code, and H. R. 6227, home rule for the District of Columbia.

Those bills will not necessarily be called in that order. There are some other rules outstanding which may be called for the purpose of expediting the business of the House.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, pursuant to House Resolution 633, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. CANNON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CANNON. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CANNON moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: Page 2, line 1, strike out "June 30" and insert in lieu thereof "April 3."

Mr. TABER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. CANNON. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

TREASURY-POST OFFICE APPROPRIATION BILL, 1949

Mr. TABER. Mr. Speaker, I ask unanimous consent that the conferees on the Treasury-Post Office appropriation bill may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5770) "making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1949, and for other purposes," having met, after full and free

conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 14.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 8, 9, 10, 17, 18, 19, 25, 29 and 30, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$125,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$4,250,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$52,000,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$174,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$19,584,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$193,584,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$12,500,000"; and the Senate agree to the same.

Amendment Numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "\$1,500,000"; and the Senate agree to the same.

Amendment Numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$505,000"; and the Senate agree to the same.

Amendment Numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$172,150"; and the Senate agree to the same.

Amendment Numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$2,114,000"; and the Senate agree to the same.

Amendment Numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

80TH CONGRESS
2D SESSION

H. R. 6801

IN THE SENATE OF THE UNITED STATES

JUNE 7 (legislative day, JUNE 1), 1948

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for foreign aid
5 for the period beginning April 3, 1948 and ending June
6 30, 1949, and for other purposes, namely:

TITLE I

ECONOMIC COOPERATION

9 For expenses necessary to carry out the provisions
10 of the Economic Cooperation Act of 1948 (title I of Public

1 Law 472, approved April 3, 1948) until June 30, 1949,
2 including expenses of attendance at meetings concerned with
3 the purposes of this appropriation (not to exceed \$30,000) ;
4 purchase (not to exceed forty including one at not to exceed
5 \$3,000) and hire of passenger motor vehicles; payment of
6 claims pursuant to section 403 of the Federal Tort Claims
7 Act (28 U. S. C. 921) ; health service program as author-
8 ized by law (5 U. S. C. 150) ; rents in the District of
9 Columbia; transportation of privately owned automobiles;
10 entertainment (not to exceed \$50,000) ; exchange of funds
11 without regard to section 3651 of the Revised Statutes;
12 and loss by exchange; \$4,000,000,000, of which not to
13 exceed \$200,000 shall be available for expenditures of a
14 confidential character (other than entertainment) under the
15 direction of the Administrator or the Deputy Administrator,
16 who shall make a certificate of the amount of each such
17 expenditure which he may think it advisable not to specify,
18 and every such certificate shall be deemed a sufficient voucher
19 for the amount therein certified: *Provided*, That of the
20 amount herein appropriated not less than \$65,000,000 shall
21 be utilized for acquiring in the United States nonfat dry
22 milk solids: *Provided further*, That not to exceed \$68,-
23 000,000 may be expended for administrative and other
24 expenses including not to exceed \$10,000,000 for direct
25 administration and not to exceed \$10,000,000 for guar-

1 anties of investments in enterprises producing or distrib-
2 uting informational media provided for under section 111
3 (b) (3) of the Economic Cooperation Act of 1948: *Pro-*
4 *vided further*, That not less than 10 per centum of each
5 special local currency account established pursuant to section
6 115 (b) (6) of the Economic Cooperation Act of 1948 shall
7 be allocated to the use of the United States Government for
8 expenditure for strategic materials or other local currency
9 requirements of the United States of America: *Provided*
10 *further*, That allocations of funds provided pursuant to pro-
11 visions of the Economic Cooperation Act of 1948 for Austria
12 and any country under occupation by forces of the United
13 States shall be made to the United States Military Govern-
14 ment of such countries for administrative and other expenses:
15 *And provided further*, That expenditures may be made here-
16 under for the purposes of economic rehabilitation in Japan,
17 Korea, and the Ryukyus in such manner as to be consistent
18 with the general objectives of the Economic Cooperation Act
19 of 1948.

20 INTERNATIONAL CHILDREN'S EMERGENCY

21 FUND

22 To enable the President during the fiscal year 1949 to
23 carry out the provisions of the International Children's
24 Emergency Fund Assistance Act of 1948 (title II of Public
25 Law 472, approved April 3, 1948), \$60,000,000.

1 ASSISTANCE TO GREECE AND TURKEY

2 For an additional amount for "Assistance to Greece
3 and Turkey", as authorized by the Act of May 22, 1947
4 (Public Law 75) as amended and supplemented by the
5 Greek-Turkish Assistance Act of 1948 (title III of Public
6 Law 472, approved April 3, 1948), \$200,000,000, which,
7 together with the amount heretofore appropriated under this
8 head, shall remain available until June 30, 1949; and the
9 limitation under this head in the Supplemental Appropria-
10 tion Act, 1948, on the amount available for administrative
11 expenses, is increased from "\$4,500,000" to "\$4,900,000",
12 and the limitation under said head on the amount available
13 for such expenses in the District of Columbia is increased
14 from "\$300,000" to "\$400,000": *Provided*, That said limi-
15 tations shall apply only to the administrative expenses of
16 the Department of State: *Provided further*, That any funds
17 heretofore or hereafter allocated under authority contained
18 in section 2 (a) of the Act of May 22, 1947 (Public Law
19 75), as amended, shall be available for obligation and expen-
20 diture in accordance with the laws governing obligations
21 and expenditures of the department, agency, or independent
22 establishment to which allocated, but this proviso shall not
23 operate to increase the limitation heretofore provided for
24 administrative expenses.

ASSISTANCE TO CHINA

For expenses necessary to carry out the provisions of the China Aid Act of 1948 (title IV of Public Law 472, approved April 3, 1948), until June 30, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation; purchase and hire of passenger motor vehicles; purchase, maintenance, and operation of aircraft; payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921) ; health service program as authorized by law (5 U. S. C. 150) ; transportation of privately owned automobiles; entertainment (not to exceed \$3,000) ; exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$400,000,000, of which not to exceed \$1,200,000 shall be available for administrative expenses: *Provided*, That expenditures hereunder shall be made and administered in such manner as to be consistent with the general objectives and the limitations provided in the Act for Assistance to Greece and Turkey (Public Law 75, Eightieth Congress), as amended and supplemented by the Greek-Turkish Assistance Act of 1948 (Public Law 472, Eightieth Congress).

1 NATIONAL MILITARY ESTABLISHMENT

2 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

3 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

4 For expenses, not otherwise provided for, necessary to
5 meet the responsibilities and obligations of the United States
6 in connection with the government or occupation of certain
7 foreign areas, including personal services in the District
8 of Columbia and elsewhere and, subject to such authoriza-
9 tion and limitations as the Secretary of the Army may pre-
10 scribe, not to exceed \$220,000 may be available for tuition,
11 personal allowances (not to exceed \$10 per day), travel
12 expenses (not to exceed those authorized for like United
13 States military or civilian personnel), and fees incident to
14 instruction in the United States or elsewhere of such per-
15 sons as may be required to carry out the provisions of this
16 appropriation; travel expenses and transportation; services
17 as authorized by section 15 of the Act of August 2, 1946
18 (5 U. S. C. 55a), at rates not in excess of \$50 per day
19 and travel expenses for individuals; translation rights,
20 photographic work, educational exhibits, and dissemination
21 of information, including preview and review expenses inci-
22 dent thereto; expenses incident to the operation of schools
23 for American children; printing and binding; hire of pas-
24 senger motor vehicles and aircraft; repair and maintenance
25 of buildings, utilities, facilities, and appurtenances; con-

1 tingencies for the United States commanders of foreign
2 areas, to be expended in their respective discretions (not
3 exceeding amounts authorized or approved by the Secretary
4 of the Army); such minimum supplies for the civilian
5 populations of such areas as may be essential to prevent
6 starvation, disease, or unrest, prejudicial to the objectives
7 sought to be accomplished; \$1,250,000,000, of which not
8 to exceed \$55,000,000 shall be available for administra-
9 tive expenses: *Provided*, That when military personnel
10 of the Department of the Army are employed primarily
11 for the purposes of this appropriation, the mileage and other
12 travel allowances to which they may be entitled shall be
13 paid herefrom: *Provided further*, That the general provi-
14 sions of the appropriation Act for the fiscal year 1949 for
15 the military functions of the Department of the Army shall
16 apply to this appropriation: *Provided further*, That ex-
17 penditures from this appropriation may be made outside
18 continental United States, when necessary to carry out its
19 purposes, without regard to sections 355, 1136, 3648, and
20 3734, Revised Statutes, as amended, civil-service or clas-
21 sification laws, or provisions of law prohibiting payment of
22 any person not a citizen of the United States: *Provided*
23 *further*, That expenditures from this appropriation may be
24 made, when necessary to carry out its purposes, without
25 regard to section 3709, Revised Statutes, as amended, and

1 the Armed Services Procurement Act of 1947 (Public Law
2 413, Eightieth Congress) : *And provided further*, That the
3 Joint Committee on Foreign Economic Cooperation estab-
4 lished pursuant to provisions of section 124 (a) of the
5 Economic Cooperation Act of 1948 shall have the same
6 duties, powers, and responsibilities with respect to programs
7 carried out by appropriations for Government and Relief in
8 Occupied Areas as it has with respect to programs under
9 the Economic Cooperation Act of 1948.

10 DEPARTMENT OF STATE

11 INTERNATIONAL ACTIVITIES

12 United States participation in international organizations :
13 For expenses necessary for United States participation in
14 international organizations, including payment of the annual
15 contributions, quotas, and assessments, and costs of perma-
16 nent United States representation to such organizations, in
17 not to exceed the respective amounts as follows :

18 International Refugee Organization (Public Law 146,
19 Eightieth Congress), \$70,710,228, of which amount
20 \$70,643,728 shall be available for contribution: *Provided*,
21 That none of the funds appropriated herein shall be avail-
22 able for contribution to the International Refugee Organ-
23 ization until such time as there are effected agreements
24 providing for a caloric diet for the occupants of refugee

1 camps that is no higher than that prevailing in the country
2 in which such camps are located.

3 TITLE II—GENERAL PROVISIONS

4 SEC. 201. No part of any appropriation contained in
5 this title shall be used to pay the salary or wages of any
6 person who engages in a strike against the Government of
7 the United States or who is a member of an organization of
8 Government employees that asserts the right to strike against
9 the Government of the United States, or who advocates, or
10 is a member of an organization that advocates, the over-
11 throw of the Government of the United States by force or
12 violence, or who is a member of any labor organization
13 the officers of which have not complied with the require-
14 ments of subsection (h) of section 9 of the National Labor
15 Relations Act as amended by the Labor-Management Rela-
16 tions Act, 1947: *Provided*, That for the purposes hereof
17 an affidavit shall be considered prima facie evidence that
18 the person making the affidavit has not contrary to the
19 provisions of this section engaged in a strike against the
20 Government of the United States, is not a member of an
21 organization of Government employees that asserts the
22 right to strike against the Government of the United States,
23 or that such person does not advocate, and is not a mem-
24 ber of an organization that advocates, the overthrow of

1 the Government of the United States by force or violence,
2 or that such person is not a member of any labor or-
3 ganization the officers of which have not complied with the
4 requirements of subsection (h) of section 9 of the Na-
5 tional Labor Relations Act as amended by the Labor-
6 Management Relations Act, 1947: *Provided further*, That
7 any person who engages in a strike against the Government
8 of the United States or who is a member of an organization
9 of Government employees that asserts the right to strike
10 against the Government of the United States, or who advo-
11 cates, or who is a member of an organization that advocates,
12 the overthrow of the Government of the United States by
13 force or violence, and accepts employment the salary or
14 wages for which are paid from any appropriation contained
15 in this title shall be guilty of a felony and, upon conviction,
16 shall be fined not more than \$1,000 or imprisoned for not
17 more than one year, or both: *Provided further*, That the
18 above penalty clause shall be in addition to, and not in sub-
19 stitution for, any other provisions of existing law.

20 SEC. 202. No funds made available under the authority
21 of this Act shall be used for the purchase of any com-
22 modities (other than commodities procured by or in the
23 possession of the Commodity Credit Corporation pursuant
24 to Act of July 1, 1941 (55 Stat. 498), as amended), at
25 prices higher than the market price prevailing in the United

1 States at the time of the purchase: *Provided*, That no funds
2 available under this Act shall be used for the purchase of
3 wool other than from existing stocks owned by the Com-
4 modity Credit Corporation, unless or until such stocks are
5 exhausted.

6 SEC. 203. Not more than \$50,000,000 of the funds
7 herein appropriated shall be used for the purchase of farm
8 machinery, including farm tractors.

9 SEC. 204. Whenever an export license for a commodity,
10 the production or shipment of which to a nonparticipating
11 country was contracted for in good faith prior to March 1,
12 1948, is denied and cannot be obtained under section 6 of
13 the Act of July 2, 1940 (54 Stat. 714), as amended, the
14 Administrator shall provide for the procurement of such
15 commodity to transfer to a participating country in accord-
16 ance with the requirements of such country, at not less than
17 the contract price of such commodity to the producer or
18 exporter, as the case may be, including any cost incurred in
19 converting the commodity to meet the requirements of the
20 participating country.

21 SEC. 205. Not less than 50 per centum of all nitrates
22 or nitrogenous fertilizer material, including anhydrous am-
23 monia, obtained for participating countries by the Economic
24 Cooperation Administration under the Economic Coopera-
25 tion Act of 1948 with funds provided herein shall come from

1 production of the Department of the Army and the Depart-
2 ment of the Army is hereby authorized to produce and sell
3 such nitrogenous fertilizer materials, including anhydrous
4 ammonia, to fill such 50 per centum of such export
5 requirements.

6 SEC. 206. No funds made available under this Act shall
7 be used by any governmental agency for the purpose of
8 building additional commercial manufacturing plants in the
9 United States.

10 SEC. 207. This Act may be cited as the "Foreign Aid
11 Appropriation Act, 1949".

Passed the House of Representatives June 4, 1948.

Attest:

JOHN ANDREWS,

Clerk.

AN ACT

Making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

JUNE 7 (legislative day, JUNE 1), 1948

Read twice and referred to the Committee on
Appropriations

FOREIGN AID APPROPRIATION ACT, 1949

JUNE 14 (legislative day, JUNE 1), 1948.—Ordered to be printed

Mr. BRIDGES, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 6801]

The Committee on Appropriations, to whom was referred the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House.....	\$5, 980, 710, 228
Amount of increase by Senate committee (net).....	145, 000, 000
Amount of bill as reported to Senate.....	6, 125, 710, 228
Amount of estimates considered.....	6, 533, 710, 228
The bill as reported to the Senate, under the estimates.....	408, 000, 000

Foreign-aid appropriations, 1949

[In millions of dollars]

	House action (15 months)	Budget estimate (12 months)	House equiva- lent (12 months)	Senate action (12 months)	Below budget estimate	Dollar increase or de- crease over House	Increase in pur- chasing power over House
ECA.....	\$4, 000	\$4, 245	\$3, 200	\$4, 000	—\$245	0	¹ \$950
Trieste.....	(²)	20	(²)	(²)	—20	0	0
GARIOA (recovery).....	(²)	[150]	(²)	³ [125]	(⁴)	(⁴)	(⁴)
GARIOA.....	1, 250	⁵ 1, 400	1, 250	1, 325	—75	+75	+75
China.....	400	463	320	460	—3	+60	+140
Greek-Turkey.....	200	275	200	250	—25	+50	+50
ICEF.....	60	60	60	20	—40	—40	—40
IRO.....	70. 7	70. 7	70. 7	70. 7	0	0	0
Total.....	5, 980. 7	6, 533. 7	5, 100. 7	6, 125. 7	—408	+145	1, 175

¹ \$800,000,000 and \$150,000,000 estimated as costs of GARIOA recovery transferred to the Army. (See note 3.)

² Items to be covered out of ECA appropriations.

³ Recovery for Japan, Korea, and Ryukyus to be covered out of Army funds for GARIOA.

⁴ Senate action is reflected in the next line.

⁵ Reflects \$1,250,000,000 for government and relief in Germany, Austria, Japan, Korea, and the Ryukyus; and \$150,000,000 asked for in a supplemental for recovery in Japan, Korea, and the Ryukyus.

GARIOA—Government and Relief in Occupied Areas.

ICEF—United Nations International Emergency Children's Fund.

IRO—International Refugee Organization.

ECA—Economic Cooperation Administration.

APPROPRIATIONS RECOMMENDED

The Senate Appropriations Committee recommends that the Senate act to restore 1949 foreign aid appropriations to a 12 months' basis. For this period the committee recommends the following appropriations:

Economic cooperation.....	\$4, 000, 000, 000
Government and Relief In Occupied Areas.....	1, 325, 000, 000
Assistance to China.....	460, 000, 000
Assistance to Greece and Turkey.....	250, 000, 000
International Children's Emergency Fund.....	20, 000, 000
International Refugee Organization.....	70, 710, 228
Total recommended.....	6, 125, 710, 228

The total amount of \$6,125,710,228 which the committee recommends is the largest single appropriation for foreign aid ever recommended in peacetime to the Congress of the United States. These funds are asked of a Nation whose national debt is greater than that of all the recipient countries combined. It will be made by a Nation that already has extended in foreign aid a total of \$63,200,000,000 over the 7½ years ending December 31, 1947.

To determine an amount of reasonable proportions for foreign-aid programs during the coming year, the committee has held hearings since May 13 with representatives of the Economic Cooperation Administration, the Department of State, the Department of the Army, the Department of Agriculture, the International Bank, and with many witnesses familiar with the proposed aid programs. The pro-

ceedings of the Senate Committee on Appropriations were unusual in that the committee commenced its hearings without any bill before it, well in advance of any action by the House. Such early timing has only the precedent of the hearings held by the Committee on Appropriations last fall when interim aid was under discussion.

The total appropriation which the committee recommends is for programs that embrace relief, recovery, military aid, and also funds for two international organizations. The largest single item is that for the European recovery program.

THE ECONOMIC COOPERATION ADMINISTRATION

Budget estimate: \$5,300,000,000 for 17 countries for 12 months.

House action: \$5,055,000,000 for 21 countries for 15 months.

Committee recommendation: \$5,055,000,000 for 18 countries for 12 months.

NATIONS AFFECTED BY THE APPROPRIATION TO THE ECONOMIC COOPERATION ADMINISTRATION

<i>Budget estimate</i>	<i>House action</i>	<i>Senate action</i>
1. Austria	Austria	Austria
2. Belgium	Belgium	Belgium
3. Luxembourg	Luxemburg	Luxemburg
4. Denmark	Denmark	Denmark
5. France	France	France
6. Greece	Greece	Greece
7. Iceland	Iceland	Iceland
8. Ireland	Ireland	Ireland
9. Italy	Italy	Italy
10. Netherlands	Netherlands	Netherlands
11. Norway	Norway	Norway
12. Portugal	Portugal	Portugal
13. Sweden	Sweden	Sweden
14. Switzerland	Switzerland	Switzerland
15. Turkey	Turkey	Turkey
16. United Kingdom	United Kingdom	United Kingdom
17. Western Germany	Western Germany	Western Germany
18.	Trieste	Trieste
19.	Japan	
20.	Korea	
21.	Ryukyus	

A separate appropriation is made to China, of which \$335,000,000 is to be administered by the Economic Cooperation Administration.

The Senate Committee on Appropriations recommends the appropriation of \$4,000,000,000 to the Economic Cooperation Administration to cover the relief and recovery needs of 17 countries of western Europe and the Free Territory of Trieste for 12 months ending April 2, 1949. The appropriation of this sum would augment the existing sums of \$1,000,000,000 provided in Public Law 472, Eightieth Congress, to be met out of the sale of notes to the Treasury; and \$55,000,000 appropriated in March 1948 as an advance out of funds authorized in Public Law 389, Eightieth Congress. The committee is recommending, therefore, that a total of \$5,055,000,000 be made available for the European recovery program in the first 12 months.

The European recovery program was authorized by the Congress on April 3, 1948, for an amount of not more than \$5,300,000,000 for 12 months. The authorization figure represented the full request of

the executive branch of the Government for \$6,800,000,000 for 15 months, converted to a 12 month basis.

At the time the authorization bill was voted, no committee of Congress had made more than a cursory examination of the estimates. The figures of the executive branch were accepted tentatively by a Congress wholly in sympathy with the program to restore the war-shattered economy of the countries of western Europe. In the intervening months the members of the Appropriations Committee of the Senate have directed an extensive investigation into the studies of the European recovery program which were presented by the executive branch of the Government. As a result of their examination of the justifications submitted for an ECA appropriation, the committee members were impressed by the total inadequacy of the ERP studies to provide a basis for a precise appropriation. To begin with, there is a fundamental difficulty in understanding what the justification charts, tables, and studies are supposed to represent in relation to the ECA program. It is certain that they do not present a program of expenditures which anyone in authority is committed to follow, or intends to follow.

For instance, the tabulation of the goods to be furnished under the ECA appropriation, as presented by the executive branch of the Government, indicates that every dollar will be applied to shipments of goods from the Western Hemisphere. In the outline of the European recovery program which was submitted by the Department of State for the use of the Senate Foreign Relations Committee last December, it is stated clearly that the ECA funds have been requested for purchases in the Western Hemisphere and that it is not proposed that ECA funds be used for purchases outside the Western Hemisphere except for approximately \$200,000,000 to finance imports for Germany. The State Department language declares:

The CEEC countries do not seek the assistance of the United States in meeting the deficit of the participating countries with nonparticipating countries outside the Western Hemisphere and it is not proposed to render such assistance in general. The United States, however, has responsibility as an occupying power in the bizonal area of Germany, and the recovery of German production is important to the success of the program.

Although the original program may have declared in good faith that it is not proposed to render assistance in purchases outside the Western Hemisphere, it is obvious at this time that the Administrator plans to spend ECA funds for procurement of goods anywhere in the world. To act otherwise might result in a more expensive and less efficient recovery effort.

RELIEF AND RECOVERY

The justification for an appropriation for European recovery has been made in a series of studies which are labeled as "illustrative tables" of the type of imports which will move from the Western Hemisphere to the 16 participating nations. The relation of ECA funds to imports of relief or recovery items is fixed in a fashion that is largely arbitrary and difficult to analyze.

To finance European imports from the Western Hemisphere, three sources of funds are available. First, there are the dollar earnings of the ERP countries. Second, there are the loans and credits which already have been extended or which will be extended by sources outside of the United States. Third, there are the funds to be provided by the ECA appropriation. In general, the matching of dollars to imports from the Western Hemisphere has been accomplished by applying ECA funds against relief-type goods while the dollars of the participating nations are shown against the imports of recovery-type goods. It is possible that the arbitrary allocation of funds was done with no actual intent to pressure the Congress, but the net effect of applying the greater part of United States funds to relief-type goods, such as food, fuel and fertilizer, is to make it appear that any cut in the appropriation may wipe out ECA shipments of recovery items. The schedule of payments in the justifications certainly is misleading if it is used to support such a statement as that made by the Department of State in the following declaration; which was submitted with early summary tables:

The attached tables are based on the assumption that appropriations in the amount estimated to be required by the executive branch will be available. If a program is authorized which is midway between a relief program and the proposed recovery program, the necessary adjustment would have to be made primarily in the category of recovery-type commodities and services. The large magnitude of the requirements for relief-type goods have already been scaled down to fit within limited world availabilities. The aggregate value of relief-type commodities would therefore be approximately the same in an adequately financed relief program as in the recovery program submitted to the Congress. In the event that a program intermediate between relief and recovery were to be authorized by the Congress the proportion of relief-type goods to recovery-type goods would increase from 66 percent to a substantially higher percentage.

The unsoundness of the above statement can be indicated best by pointing out that since the statement was made, the executive branch of the Government has increased substantially the distribution of funds for food imports and decreased correspondingly the estimates for importing the so-called recovery items. These changes in the distribution, as reflected in the State Department's studies, are changes which have been made without any action by Congress and which should necessitate smaller recovery shipments.

There are many aspects of the Department of State studies which are disturbing to a committee charged with determining an appropriation.

1. The Senate committee has been impressed by the experience of the House Committee on Appropriations. That committee went into the individual items of the program in great detail. Examination of the testimony offered before the House committee shows that the executive branch of the Government was unsure of its estimates or mistaken in its findings concerning many various commodities.

2. An impressive indication of the instability of these justifications can be found in a comparison of the first estimates made in October and the revised estimates presented in March. To indicate the wide variance of the two studies which supposedly are concerned with the same set of facts, the committee offers the following table:

Comparison of original United States estimates with current United States estimates prepared for the Appropriations Committees—15 months

[In millions of dollars; July 1, 1947 prices]

Country or area	With Western Hemisphere						With other nonparticipating areas, balance on current account			With other participating countries, balance on current account		
	Balance on current account			Total imports			Total exports			Original estimates	Current estimates	Difference 2
	Original estimate	Current estimate	Difference 2	Original estimate	Current estimate	Difference 2	Original estimate	Current estimate	Difference 2			
Austria.....	-194.2	-244.0	-49.8	193.2	237.3	-44.1	13.0	11.0	-2.0	-100.6	-34.5	+66.1
Belgium-Luxemburg.....	-545.0	-637.8	-92.8	752.0	795.1	-43.1	258.0	260.5	+2.5	-98.0	-98.9	-.9
Belgian dependencies.....	+26.0	+37.0	+11.0	43.0	33.7	+9.3	76.0	71.7	-4.3	-156.0	+5.4	+5.4
Denmark.....	-192.3	-226.9	-34.6	216.9	240.3	-23.4	7.6	23.0	+15.4	-71.5	-64.6	+6.9
France.....	-1,400.0	-1,285.0	+115.0	1,320.5	1,268.5	+52.0	263.5	277.0	+13.5	-330.6	-310.5	+20.1
French dependencies.....	-161.8	-247.7	-85.9	254.0	264.3	-10.3	105.2	29.6	-75.6	-31.9	-67.9	-36.0
Greece.....	-195.2	-161.9	+33.3	212.4	211.0	+1.4	43.9	57.8	+13.9	-65.4	-30.3	+35.1
Iceland.....	-12.7	-14.4	-1.7	22.7	20.2	+2.5	10.0	5.0	-5.0	-2.5	+8.0	+10.5
Ireland.....	-151.8	-150.7	+1.1	190.6	183.6	+7.0	3.1	3.9	-.8	-41.4	-64.8	-23.4
Italy.....	-976.9	-894.2	+82.7	1,025.9	1,015.4	+10.5	155.0	162.9	+7.9	-53.5	-10.1	+43.4
Netherlands.....	-813.4	-855.1	-41.7	856.9	834.6	+22.3	69.5	84.9	+15.4	-130.1	-60.1	+70.0
Dutch dependencies.....	-51.0	-84.5	-33.5	181.6	157.7	+23.9	151.6	88.2	-63.4	-54.8	-133.8	-79.0
Norway.....	-90.3	-129.7	-39.4	247.6	246.9	-.7	69.3	69.3	0	-62.2	+1.3	+63.5
Portugal.....	-73.9	-84.6	-10.7	128.2	138.2	-10.0	41.3	36.7	-4.6	-22.0	-15.9	+6.1
Portuguese dependencies.....	+2.2	-8.2	-10.4	8.7	18.4	-9.7	10.9	10.2	-.7	-40.2	+35.1	-5.1
Sweden.....	-75.6	-125.5	-49.9	498.5	465.9	+32.6	283.9	291.9	+8.0	-81.5	-92.9	+11.4
Switzerland.....	+26.1	+128.5	+102.4	424.9	418.5	+6.4	263.0	262.6	-.4	+52.3	+77.7	-25.4
Turkey.....	+8.8	-11.0	-19.8	58.9	74.6	-15.7	69.8	70.2	-.4	-67.3	+35.8	-31.5
United Kingdom.....	-2,489.5	-2,157.2	+332.3	3,668.4	3,506.3	+162.1	1,299.9	1,369.5	+69.6	+987.8	+529.9	-457.9
United Kingdom dependencies.....	+311.0	+93.0	+218.0	521.8	522.3	-.5	707.8	578.3	-129.5	-251.5	-267.7	+16.2
Western Germany:												
Bizone.....	-914.5	-1,109.3	-194.8	880.1	997.4	-117.3	93.6	61.1	-32.5	-308.8	-272.4	+36.4
French zone.....	-80.4	-125.0	-44.6	91.9	111.2	-19.3	12.8	12.2	-.6	-16.0	-15.8	-.2
Saar.....	-10.9	-20.0	-9.1	13.6	20.0	-6.4	2.7	2.9	-.2	-0.3	-10.5	+9.2
Total, all participating countries.....	-8,063.1	-8,308.2	-245.1	11,812.3	11,781.4	-30.9	4,011.4	3,840.4	-171.0	-588.2	-857.5	+269.3
										+32.4	-----	-32.4

NOTE.—Original estimate, October 1947; current estimate, March 1948.

3. There is an assumption in these studies that the participating nations will meet any deficit that may exist in the trade balance between themselves and other countries which are not in the Western Hemisphere. This trade is computed to be \$857,500,000 out of balance for 15 months and no indication is given as to how this trade deficit can be met.

4. A basic assumption in meeting the balance of payments of the Western Hemisphere is stated in the amount of credits to be extended by other countries in the Western Hemisphere, by Switzerland and by private banks and lending agencies. These assumptions, particularly as they are related to Western Hemisphere credits or Swiss credits, have found almost no support from any responsible authority.

COMMITTEE JUSTIFICATION FOR DECREASED APPROPRIATION

The Committee on Appropriations is recommending that the appropriation for European recovery be set at \$4,000,000,000, which is \$245,000,000 below the budget estimate. The justification for this recommended reduction is difficult to state principally because the justification for the appropriation itself has neither certainty nor substance.

Since the spending of dollars by the Economic Cooperation Administration will not bear any exact relation to the amounts listed in the justifications, it is the opinion of the Administrator and of the committee that the appropriation, generally, should not be specific about the purchases of individual commodities. It obviously would be injurious to the program to list reductions or increases against any stated item in the justifications because the items are stated only to show the type of goods which might move in trade from the Western Hemisphere, for which ECA dollars might be paid. To specify, for instance, that ECA payment for ocean freight and other dollar requirements be limited to \$22,000,000 would effectively sabotage the entire program. Yet the justifications list the \$22,000,000 amount for shipping costs and other dollar payments to advise the Committees on Appropriations.

The committee has refrained from suggesting that cuts be applied to any particular commodities listed in the justifications because it has considered that the "illustrative tables" furnished to the committee offer no reasonable basis either for an appropriation or a reduction. Various members of the committee are of the opinion that there is too much of cotton, tobacco, sugar, steel, and oil in the program, to mention a few items. It is impossible, of course, to know whether \$1,899,500,000 is too much or too little for "miscellaneous commodities" imported from the Western Hemisphere. The committee hopes and expects that the Administrator will screen carefully the estimates suggested in the justifications, and that he will exercise independent judgment in the use of the European Recovery Program appropriations.

Assuming that the justifications offer the best present judgment of the needs of the participating countries for the next 12 months, there are indications that the appropriation for ECA expenditures can be reduced from \$300,000,000 to \$800,000,000 below the amount set in the authorization.

Two comparisons of studies made by the executive branch are listed to indicate that a general reduction in the appropriation is in order:

(1) When the ECA program was first presented in October of last year, it was estimated that selected foods and tobacco from the Western Hemisphere would require expenditure of \$3,478,900,000. Since the time of that estimate, food production has improved in each of the participating countries and crop prospects for this summer now are rated as very good. Yet, when the estimates of imports were revised in March, there was an increase of \$307,800,000 in the amounts listed for imports of food. This increase, although it may be warranted by increased availability of foodstuffs in the world, is not warranted if it is our policy to hold relief expenditures to a minimum and to concentrate on recovery expenditures. The following table indicates the differences between the October and the March estimates:

Increase in estimates of total shipments of food from the Western Hemisphere

[In millions of dollars]

	October estimates	March estimates	Increase
Grains.....	\$2, 152. 6	\$2, 345. 8	+\$193. 2
Fats and oils.....	378. 4	393. 1	+14. 7
Oil cake and meal.....	190. 7	190. 7	+0
Sugar.....	295. 8	369. 8	+74. 0
Other foods.....	168. 0	188. 3	+20. 3
Tobacco.....	293. 4	299. 0	+5. 6
Total.....	3, 478. 9	3, 786. 7	+307. 8

(2) In October the program was set before the Congress to indicate the amount of recovery aid which should be extended to each of the participating nations. It was on this basis that Congress authorized an expenditure of \$5,300,000,000. In the latest estimates, however, there has been a reallocation of funds and the amounts have been reduced for seven nations, presumably because the level of expenditure of American dollars was judged to be high. At the same time, it was computed that imports from the Western Hemisphere for the remaining 12 nations would increase \$800,000,000. If the earlier estimates, on which the Congress was asked to vote the authorization, had full merit, a cut of \$800,000,000 in accordance with the figures on the following chart should not be protested:

INCREASE IN ESTIMATES OF TOTAL SHIPMENTS FROM WESTERN HEMI-
SPHERE FOR VARIOUS ERP COUNTRIES

[In millions of dollars]

	October estimates	March estimates	Increase
Austria.....	\$233. 0	\$271. 6	+\$38. 6
Belgium-Luxenburg.....	853. 0	987. 4	+ 134. 4
Denmark.....	237. 0	265. 3	+ 28. 3
France.....	1, 931. 0	1, 944. 4	+ 13. 4
Ireland.....	192. 0	195. 3	+ 3. 3
Netherlands.....	1, 136. 0	1, 178. 2	+ 42. 2
Norway.....	253. 0	263. 3	+ 10. 3
Portugal.....	144. 0	166. 8	+ 22. 8
Turkey.....	69. 0	86. 7	+ 17. 7
Bizone, Germany.....	1, 014. 0	1, 442. 5	+ 428. 5
French Zone.....	93. 0	144. 2	+ 51. 2
Saar.....	14. 0	24. 3	+ 10. 3
Total.....	6, 169. 0	6, 970. 0	+ 801. 0

EFFECT OF COMMITTEE CUT ON EUROPEAN RECOVERY

The committee's proposed reduction of \$245,000,000 in appropriations for the Economic Recovery Administration will have a negligible effect upon the European recovery program, according to the studies prepared by the executive branch of the Government and submitted as justifications for an appropriation.

The justifications indicate that the total imports of the 17 participating countries from all sources for 12 months would total \$25,022,100,-000.

If the participation of the United States in the program is reduced by \$245,000,000, the maximum reduction in total imports of the participating nations would amount to slightly less than 1 percent. Assuming that the import studies are as near reality as such calculations can be, it is obvious that a 1-percent variance in imports either way will not spell the difference between relief and recovery or guarantee the success or failure of either.

The assumptions made by the executive branch studies concerning the total imports of the participating countries are as follows:

From other participating countries.....	\$8, 710, 100, 000
From other nonparticipating countries (outside the Western Hemisphere).....	5, 752, 600, 000
From the Western Hemisphere.....	10, 559, 400, 000
Total imports.....	25, 022, 100, 000

In recommending that \$5,055,000,000 be made available for the Economic Cooperation Administration, the Senate committee is not offering a figure that is free from dispute. The executive branch of the Government, which pooled the talents of many agencies to produce the justifications for the appropriation, has not been able to prove a solid case for the 5-billion figure. There is no doubt that the nations of western Europe need our aid to regain economic and national strength. It is generally held that it is to the interests of this Nation to proffer such assistance as we are able. The two latter considerations prompt the committee to recommend an appropriation that well may be too high for the amount that can be accomplished in Europe in the coming year. It is the opinion of the committee that the appropriated funds should be husbanded with great care by the Administrator, for the spending of all or any of it is bound to drain wealth from this country and will exert inflationary pressures upon our own domestic markets.

GENERAL COMMITTEE RECOMMENDATIONS

1. It is the hope of the committee that when Congress convenes in 1949, far more information will be available on which the committee can rely in determining an appropriation figure for foreign aid. The entire approach toward justifying any appropriation for fiscal 1950 should be based on a more business-like and stable formula. There should be a thorough study made during the year of the needs for relief, for industrial development, for power expansion, for communications and transport, and for the various component parts of the over-all program.

In all fairness to the American citizens who must pay for European recovery in continued high taxes and high prices, the committee should have before it a list of specific requests for relief requirements and for development projects. The committee should appropriate United States dollars against payments which the United States actually will make in behalf of European recovery. It is with great reluctance that the Appropriations Committee this year is forced to recommend that the Congress sign a blank check against a balance-of-payment analysis that leaves any appropriation recommendation little more than a "shot in the dark."

2. The Appropriations Committee is placing great faith in the Administrator and in the Joint Committee of the Congress on Foreign Economic Cooperation. It is the intent of the Congress that the two shall work in close harmony. The Appropriations Committee will rely on the recommendations of each agency in determining future requirements of the Economic Cooperation Administration for appropriated funds.

Because this year's appropriation for foreign aid is largely an act of faith in the caliber of the men and women who will supervise the expenditure of the funds provided, this committee hopes that the Administrator will allow the joint committee full access to information it may procure from "loyalty checks" and other sources concerning personnel in responsible positions.

3. It is explicit in the Economic Cooperation Act of 1948 and emphasized in the testimony before the Committee by the Administrator

and his aides that the operations under the act must proceed without serious impairment of the economic stability of the United States, the private enterprise system and the well-being of the American people.

Adequate regard for these principles will necessarily affect the pricing and other understandings attending the purchases of goods and services outside the United States (including its Territories and possessions) by a participating country or its agent, particularly if such purchases are made from a governmental agency of a nonparticipating foreign country.

It is the view of the committee that concerning such operations conducted by a participating country with the dollar resources it may obtain from the appropriations now provided or otherwise, the Administrator should make definite arrangements to assure that sufficient United States dollar exchange on reasonable terms will be made available by the nonparticipating countries to cover their imports of goods and services from the United States, particularly imports through private channels of trade; and, further, to cover past due and normal current remittances of earnings, profits, interest, commissions, and other services of investments of our citizens in such nonparticipating countries.

4. The committee believes that no funds made available under this act should be used to purchase commodities, except under limited special circumstances, at more than the current market price in the United States at the time of the purchase, making adjustments for differences in the cost of transportation to destination, quality, and terms of payment. Limited deviation from this rule will be justified in special situations as, for example, for off-shore purchases when purchases in the United States might materially force up the market price because of insufficient supply, or in which the Department of Commerce might feel that export licenses should not be granted, or for domestic purchases from the Commodity Credit Corporation.

The committee recognizes that any direct prohibition of such purchases would present an almost insurmountable task of policing if every transaction made through private channels is to be checked. Some check might be furnished by requiring a certificate from the supplier that the price charged by him was not in excess of the current market price at the time.

Some deviations from this general price policy will normally occur in the ordinary course of business. However, the Administrator is expected to limit strictly material deviations from this general price policy. Flagrant or constant violation shall be considered by him as reason to employ sanctions contained in section 118 of the act.

5. The committee is of the opinion that the Administrator should make full use of the provisions of the authorization act that permit the expenditure of local currencies in meeting administration expenses abroad. To this end, the committee has recommended that the amounts requested for international meetings and for purchase of cars for use abroad be reduced. The bill recommended by the committee authorizes purchase of 60 cars instead of the desired 100, and the Administrator is urged to meet further reasonable needs for purchase, maintenance, or hire of vehicles out of foreign funds that will be accumulated in the course of the program.

TRIESTE

The Senate Committee on Appropriations recommends that Trieste be included as a recipient of ECA funds. The Administration had requested that the \$20,000,000 that remains unutilized of Public Law 389 be set aside for Trieste. The ECA authorization act continued the suggestion that Trieste be awarded \$20,000,000 out of Public Law 389 funds.

The problem of Trieste, however, is intimately related to the European recovery program, and particularly to the role of Austria and Italy in the program. It seems entirely reasonable that the port of Trieste should be cared for out of the aid extended the participating nations. The committee feels that the relatively small needs of Trieste can be absorbed readily in the ECA appropriation.

The \$20,000,000 that is needed for Trieste is nearly met by the amount of \$18,947,000 that the Department of Agriculture estimates will be spent out of "section 32" funds in making surplus products available to the program at half cost, in accordance with section 112 (f) of the authorization act.

THE CHILDREN'S FUND

The committee recommends that a reduction of \$40,000,000 be made in the appropriation of funds to the United Nations International Children's Emergency Fund. This will allow \$20,000,000 of new funds.

This year the Children's Fund had an appropriation under Public Law 84 of \$40,000,000 to be matched with funds of other nations in the feeding of children. Under its original matching formula the fund was able to distribute only \$15,000,000 of the amount awarded by the United States. A revision of the matching formula in the passage of the ECA authorization bill enabled the Fund to distribute in the past few months an additional \$12,652,364. However, an unobligated balance of \$12,347,636 remained in the Fund as of May 1, 1948. In addition to funds directly appropriated by the Congress, the Children's Fund has been the recipient of several million dollars arising out of the liquidation of UNRRA. Money from this source continues to be received even at this late date. The committee is of the opinion that the Children's Fund will be able to carry on a program to the full extent of its activities this year on the appropriation recommended.

Although there can be no quarrel with the feeding of children, there can be and is considerable dispute about the methods of feeding the many hungry children of the world. The money appropriated to the Children's Fund has been spent under the control of the United Nations with only partial United States participation. The great bulk of the funds appropriated by this Congress went behind the iron curtain during the past year. Stories are current that the distribution of goods provided by the Fund is being directed in the villages of eastern Europe to feed children of people in good standing with the government and to discriminate against children of those known to sympathize with the cause of the democracies. The Director of the Fund admitted before the committee that such stories could be true.

If any expansion of activities is contemplated in the area of feeding children, it is the opinion of the committee that the programs should be worked out in connection with other relief programs to feed the

children of the occupied areas or of countries friendly to this Nation. Evidence presented before the committee would indicate that the need of children, in the occupied areas particularly, is as great as exists anywhere in Europe.

GREECE AND TURKEY

The Senate committee recommends restoration of \$50,000,000 above the amount allowed by the House for military assistance to Greece and Turkey. The restoration would provide \$250,000,000 for the coming year, which is only slightly under the amount expended in the past year for military aid out of the full 1948 appropriation of \$400,000,000. The relief requirements which were in last year's appropriation are covered out of ECA funds in the present bill.

The Senate Appropriations Committee is in agreement with the House that the improvement of the military situation in Greece should provide a basis for reducing the military expenditure in that country. For this reason, it has not allowed \$25,000,000 of the full budget estimate.

During the committee hearings Gov. Dwight Griswold, Coordinator of Aid to Greece and Turkey, was asked if the Greek Communist guerrillas could be cleaned out of Greece in the coming year. His reply was:

Yes, sir. I do not say clean them out from the standpoint of 100 percent, but clean them out from the standpoint of 75 percent or some such percentage; and unless greater help is given to the guerrillas from outside Greece than they are getting today, I think they will be materially reduced during the next months.

CHINA

The Senate committee recommends the appropriation of \$460,000,000 in assistance to China for the 12 months ending April 2, 1949, which is \$3,000,000 under the authorization. This action would restore \$60,000,000 cut by the House from the authorized amount and would return the appropriation to a 12-month basis instead of the 15 months voted in the House.

In addition, the committee recommends that the House language placing Greek-Turkey aid restrictions on China funds be stricken and that the formula authorized in Public Law 472, Eightieth Congress, second session, be reinstated. This would allow \$335,000,000 in relief and reconstruction grants and credits to China which would be administered by the Economic Cooperation Administration. An additional \$125,000,000 would be made available to China upon the terms established by the President for purposes which the Government of China might make requests. Information given the committee, mostly in executive session, indicates that there is immediate need for military aid in China and that the requests of the Government for assistance out of the \$125,000,000 fund will be of a military nature. The committee recommends the appropriation of \$125,000,000 with the intent that care shall be exercised to hold expenditures to military purposes.

Although there has been considerable criticism of grants to China by those who feel that funds expended in that unsettled country are spent to no purpose, the committee was impressed by testimony given in executive session by Gen. Albert C. Wedemeyer and Secretary of the Army Kenneth C. Royall. A moderately hopeful picture was

given the committee in discussing the China situation. Disastrous consequences would result from a policy of no action, the committee was told. The committee feels that it is essential that this appropriation be made to China as part of the entire effort of this Nation to hold in check the spread of Soviet domination of impoverished nations.

The committee is hopeful that the administration of funds in China will be carried on by responsible people whose loyalty to this country and whose opposition to the Communist forces of China are unquestioned. Considerable evidence has come before the committee that some representatives of this Government in China have not always supported the Nationalist government of China, which has been an ally of the United States through many years of war and peace.

DEPARTMENT OF THE ARMY, CIVIL FUNCTIONS

The Department of the Army has requested a total of \$1,400,000,000 to meet expenses relative to its functions in the occupied areas during fiscal year 1949. Of this amount, \$1,250,000,000 was the sum requested to prevent disease and unrest in the occupied areas, to be expended in Germany, Austria, Japan, Korea, and the Ryukyus for government and relief. An additional \$150,000,000 was requested after submission of the budget document to provide recovery assistance for Japan, Korea, and the Ryukyus.

The House, which allowed the full \$1,250,000,000 for government and relief, directed that the recovery needs of Japan and Korea and the Ryukyus be covered out of ECA funds. The Senate committee recommends that the recovery assistance to these three countries be extended by the Department of the Army out of its civil functions appropriation, and to that end the committee recommends an appropriation of \$125,000,000.

Because of the special nature of the military occupation in the Japanese area and because the recovery in that area bears no direct relationship to the recovery program for Europe, the committee has felt it wise to recommend the appropriation be made directly to the Army for administration. In recommending such action the committee endorses strongly the recommendation of the House that the operations of the Joint Committee on Foreign Economic Cooperation be extended to cover the expenditure of funds in the occupied areas.

The committee recommends that the request for \$1,250,000,000 for the prevention of disease and unrest in occupied areas be reduced to \$1,200,000,000. This amount is substantially above the \$1,083,000,000 allowed the program in the fiscal year 1948.

There were many indications that the funds appropriated to the Army for the minimum needs of the occupied areas can be reduced. A study of procurement lists of the Quartermaster Corps showed thousands of dollars being spent for photographic material for Korea. The same report showed the shipment of coal from the United States to Germany at a time when Germany is supposed to be increasing its coal exports to gain dollar earnings.

The needs for civilian relief in the occupied areas of Germany were presented in such fashion the committee feels justified in recommending a cut in excess of \$25,000,000. When the German needs were stated to the committee on March 10, \$680,006,176 was requested. When the distribution of the \$1,250,000,000 estimate was revised in May, the allotment to Germany had increased to \$706,181,205. The

increase was made possible by reducing the amounts allowed Austria, Japan, Korea, and the Ryukyus. In addition, the ECA funds allocated to Germany were increased in the March estimates over earlier estimates to provide an increase of \$25,800,000 for food imports.

INTERNATIONAL REFUGEE ORGANIZATION

The committee has approved the full amount requested of \$70,710,-228, which is fixed by formula, as the United States contribution to the International Refugee Organization. With the expected admission into this country of thousands of displaced persons, it is expected by the committee that this appropriation will be lower for the next fiscal year.

GENERAL RECOMMENDATIONS FOR LANGUAGE CHANGES

The Senate Committee on Appropriations has made several changes in the language used by the House in the provisions placed on the appropriations in this bill.

1. It has inserted at the request of the Army a provision that aid to any occupied area, notably Korea, may be continued out of unexpended funds at the termination of occupation. A bilateral agreement would be negotiated before this provision could become effective.

2. At the request of the Army, a provision has been inserted to allow the Secretary of the Army to direct the payment of freight for voluntary relief packages shipped to Japan, Korea and the Ryukyus. This provision is in accord with one made in the authorization for shipment of packages to nations included in the ECA authorization.

3. At the request of the Army, provision has been made for a 1-year period in which the Army may use the services of consultants on terms comparable to those provided for the Economic Cooperation Administration.

4. The committee has removed a House provision that banned the purchase of commodities for the program at prices higher than those prevailing in the United States. Although the Senate committee is entirely sympathetic with the intent of the House, it considers the House provision to be unworkable. Language has been written in this report to instruct the Administrator to act in accord with the House intent.

5. The Appropriations Committee has stricken out a provision that required the Administrator to take for shipment to participating nations any goods manufactured or ordered for export prior to March 1, 1948, for which an export license has been denied.

6. The committee has refused to recommend an amendment requested by the Army to allow the use of occupied area funds for the expansion of fertilizer plants in this country. It was brought to the attention of the committee that the Army has been negotiating many months for a lease of one of four of the plants involved in the Army plans. The several prospective lessees have offered to increase the production of fertilizer to the amount contemplated by the Army. It is the opinion of the committee that these plants should be leased as soon as feasible on terms favorable to the Government, and that the Army should not attempt to manufacture fertilizer for itself on a cost-plus contract basis where the Army facilities can be leased to private enterprise with profit to the Government.

FOREIGN AID APPROPRIATION BILL, 1949

Comparative statement showing the estimates for 1949, the bill as passed the House, the Senate committee recommendations in accompanying bill, the increases or decreases proposed in Senate bill as compared with the budget estimates, and the House bill

[The year indicated after each item denotes the fiscal year]

House Doc. No.	Department or agency	Amount of budget estimate	Amount recommend- ed by House in the bill	Amount recommend- ed by Senate Commi- tee	Increase (+) or decrease (-), Senate bill com- pared with—	
					Estimates, 1949	House bill, 1949
GENERAL FOREIGN AID						
610	Economic Cooperation Adminis- tration, 1948 and 1949-----	\$4, 245, 000, 000	\$4, 000, 000, 000	\$4, 000, 000, 000	-\$245, 000, 000	-----
639	Assistance to Trieste, 1948 and 1949-----	20, 000, 000	(1)	(1)	-20, 000, 000	-----
639	International Children's Emer- gency Fund, 1949-----	60, 000, 000	60, 000, 000	20, 000, 000	-40, 000, 000	-\$40, 000, 000
639	Assistance to Greece and Turkey, 1948 and 1949-----	275, 000, 000	200, 000, 000	250, 000, 000	-25, 000, 000	+50, 000, 000
639	Assistance to China, 1948 and 1949--	463, 000, 000	400, 000, 000	460, 000, 000	-3, 000, 000	+60, 000, 000

659	NATIONAL MILITARY ESTABLISH- MENT DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS Government and relief in occupied areas, 1949-----	1, 400, 000, 000	1, 250, 000, 000	2 1, 325, 000, 000	-75, 000, 000	+75, 000, 000
522	DEPARTMENT OF STATE INTERNATIONAL ACTIVITIES International Refugee Organiza- tion, 1949-----	70, 710, 228	70, 710, 228	70, 710, 228	-----	-----
	Total-----	6, 533, 710, 228	5, 980, 710, 228	6, 125, 710, 228	-408, 000, 000	+145, 000, 000

¹ Trieste included in provision for Economic Cooperation Administration.² \$125,000,000 is for recovery of Japan, Korea, and the Ryukyus.

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Calendar No. 1684

80TH CONGRESS
2D SESSION

H. R. 6801

[Report No. 1626]

IN THE SENATE OF THE UNITED STATES

JUNE 7 (legislative day, JUNE 1), 1948

Read twice and referred to the Committee on Appropriations

JUNE 14 (legislative day, JUNE 1), 1948

Reported by Mr. BRIDGES, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for foreign aid
5 for the period beginning April 3, 1948 and ending June
6 30, 1949 such periods as are specified herein ending not
7 later than June 30, 1949, and for other purposes, namely:

TITLE I

ECONOMIC COOPERATION

10 For expenses necessary to carry out the provisions
11 of the Economic Cooperation Act of 1948 (title I of Public

1 Law 472, approved April 3, 1948) until ~~June 30~~ April 2,
2 1949, including expenses of attendance at meetings con-
3 cerned with the purposes of this appropriation (not to exceed
4 ~~\$30,000~~ \$100,000) ; *purchases of typewriters and similar*
5 *machines where same cannot be procured under the pro-*
6 *visions of the Treasury-Post Office Departments Appropria-*
7 *tion Act, 1949; purchase (not to exceed forty sixty including*
8 *one at not to exceed \$3,000) and hire of passenger motor*
9 *vehicles; purchase (not to exceed two), maintenance, and*
10 *operation of aircraft; payment of claims pursuant to section*
11 *403 of the Federal Tort Claims Act (28 U. S. C. 921) ;*
12 *deposits in the Treasury for penalty mail (39 U. S. C.*
13 *321d); health service program as authorized by law (5*
14 *U. S. C. 150) ; rents in the District of Columbia; trans-*
15 *portation of privately owned automobiles; entertainment*
16 *(not to exceed \$50,000) ; exchange of funds without regard*
17 *to section 3651 of the Revised Statutes; and loss by ex-*
18 *change; \$4,000,000,000, of which not to exceed \$200,000*
19 *shall be available for expenditures of a confidential char-*
20 *acter (other than entertainment) under the direction of the*
21 *Administrator or the Deputy Administrator, who shall make*
22 *a certificate of the amount of each such expenditure which*
23 *he may think it advisable not to specify, and every such*
24 *certificate shall be deemed a sufficient voucher for the amount*
25 *therein certified; and of which such amount as may be*

1 necessary but not to exceed \$20,000,000 shall be available
2 for assistance to the Free Territory of Trieste or either
3 of its zones under the provisions of Public Law 389,
4 Eightieth Congress, first session, until the Free Territory
5 of Trieste or either of its zones becomes eligible for assistance
6 under the Economic Cooperation Act of 1948, which amount
7 shall be charged with any advances made heretofore by the
8 Reconstruction Finance Corporation pursuant to section
9 103 (b) of the Economic Cooperation Act of 1948, and the
10 Administrator is hereby authorized to repay the Reconstruc-
11 tion Finance Corporation for advances pursuant to section
12 103 (b) from the sum available for assistance to Trieste or
13 either of its zones under this section: ~~Provided, That of the~~
14 amount herein appropriated not less than \$65,000,000 shall
15 be utilized for acquiring in the United States nonfat dry
16 milk solids: ~~Provided further, That not to exceed \$68,-~~
17 ~~000,000~~ may be expended for administrative and other
18 expenses including not to exceed \$10,000,000 for direct
19 administration and not to exceed \$10,000,000 for guar-
20 anties of investment in enterprises producing or distrib-
21 uting informational media provided for under section 111
22 (b) (3) of the Economic Cooperation Act of 1948: ~~Pro-~~
23 ~~vided further, That not less than 10 per centum of each~~
24 special local currency account established pursuant to section
25 115 (b) (6) of the Economic Cooperation Act of 1948 shall

1 be allocated to the use of the United States Government for
2 expenditure for strategic materials or other local currency
3 requirements of the United States of America: *Provided*
4 *further*, That allocations of funds provided pursuant to pro-
5 visions of the Economic Cooperation Act of 1948 for Austria
6 and any country under occupation by forces of the United
7 States shall be made to the United States Military Govern-
8 ment of such countries for administrative and other expenses:
9 *And provided further*, That expenditures may be made here-
10 under for the purposes of economic rehabilitation in Japan,
11 Korea, and the Ryukyus in such manner as to be consistent
12 with the general objectives of the Economic Cooperation Act
13 of 1948: *Provided*, That where the Economic Cooperation
14 Administrator requests the United States military authorities
15 to perform certain functions under the Act, the Economic
16 Cooperation Administrator shall reimburse the military au-
17 thorities for administrative expenses incurred in the perform-
18 ance of such functions: *Provided further*, That not to exceed
19 \$63,000,000 may be expended for administrative and other
20 expenses: *Provided further*, That pursuant to section 117
21 (c) of the Foreign Assistance Act of 1948, the Administrator
22 shall fix and pay a uniform rate per pound for the ocean
23 transportation of all relief packages of food or other general
24 classification of commodities shipped to any participating
25 foreign country, regardless of methods of shipment and higher

1 rates charged by particular agencies of transportation: Pro-
 2 vided further, That guaranties of investments in enterprises
 3 producing or distributing informational media provided for
 4 under section 111 (b) (3) of the Economic Cooperation
 5 Act of 1948 shall not exceed \$10,000,000 in the first year:
 6 Provided further, That there shall be included within the
 7 local currency administrative expenditures of the United
 8 States such sums as may be necessary to meet expenditures of
 9 members and staff of the Joint Committee on Foreign Eco-
 10 nomic Cooperation in the course of performance of committee
 11 functions within respecting participating countries.

12 INTERNATIONAL CHILDREN'S EMERGENCY

13 FUND

14 To enable the President during the fiscal year 1949 to
 15 carry out the provisions of the International Children's
 16 Emergency Fund Assistance Act of 1948 (title II of
 17 Public Law 472, approved April 3, 1948), ~~\$60,000,000~~
 18 ~~\$20,000,000~~.

19 ASSISTANCE TO GREECE AND TURKEY

20 For an additional amount for "Assistance to Greece
 21 and Turkey", as authorized by the Act of May 22, 1947
 22 (Public Law 75) as amended and supplemented by the
 23 Greek-Turkish Assistance Act of 1948 (title III of Public
 24 Law 472, approved April 3, 1948), ~~\$200,000,000~~ \$250,-
 25 000,000, which, together with the amount heretofore appro-

1 priated under this head, shall remain available until June 30,
 2 1949; and the limitation under this head in the Supplemental
 3 Appropriation Act, 1948, on the amount available for admin-
 4 istrative expenses, is increased from “\$4,500,000” to
 5 “\$4,900,000”, and the limitation under said head on the
 6 amount available for such expenses in the District of Colum-
 7 bia is increased from “\$300,000” to “\$400,000”: *Provided*,
 8 That said limitations shall apply only to the administrative ex-
 9 penses of the Department of State: *Provided further*, That
 10 any funds heretofore or hereafter allocated under authority
 11 contained in section 2 (a) of the Act of May 22, 1947
 12 (Public Law 75), as amended, shall be available for obliga-
 13 tion and expenditure in accordance with the laws governing
 14 obligations and expenditures of the department, agency, or
 15 independent establishment to which allocated, but this
 16 proviso shall not operate to increase the limitation hereto-
 17 fore provided for administrative expenses.

18 ASSISTANCE TO CHINA

19 For expenses necessary to carry out the provisions of
 20 the China Aid Act of 1948 (title IV of Public Law 472,
 21 approved April 3, 1948), until ~~June 30, 1949~~ April 2,
 22 1949, including expenses of attendance at meetings con-
 23 cerned with the purposes of this appropriation; purchase
 24 and hire of passenger motor vehicles; purchase, maintenance,
 25 and operation of aircraft; *deposits in the Treasury for pen-*

1 *alty mail (39 U. S. C. 321 (d))*; payment of claims pur-
 2 suant to section 403 of the Federal Tort Claims Act (28
 3 U. S. C. 921); health service program as authorized by
 4 law (5 U. S. C. 150); transportation of privately owned
 5 automobiles; entertainment (not to exceed \$3,000); ex-
 6 change of funds without regard to section 3651 of the
 7 Revised Statutes; and loss by exchange; ~~\$400,000,000, of~~
 8 ~~which not to exceed \$1,200,000~~ shall be available for ad-
 9 ministrative expenses ~~\$460,000,000, of which \$125,000,000~~
 10 *shall be available exclusively as provided in subsection 404*
 11 *(b) of said Act:*~~Provided,~~ That expenditures hereunder
 12 shall be made and administered in such manner as to be
 13 consistent with the general objectives and the limitations
 14 provided in the Act for Assistance to Greece and Turkey
 15 ~~(Public Law 75, Eightieth Congress)~~, as amended and sup-
 16 plemented by the Greek-Turkish Assistance Act of 1948
 17 ~~(Public Law 472, Eightieth Congress)~~.

18 NATIONAL MILITARY ESTABLISHMENT

19 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

20 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

21 For expenses, not otherwise provided for, necessary to
 22 meet the responsibilities and obligations of the United States
 23 in connection with the government or occupation of certain
 24 foreign areas, including personal services in the District
 25 of Columbia and elsewhere and, subject to such authoriza-

1 tion and limitations as the Secretary of the Army may pre-
2 scribe, not to exceed \$220,000 may be available for tuition,
3 personal allowances (not to exceed \$10 per day), travel
4 expenses (not to exceed those authorized for like United
5 States military or civilian personnel), and fees incident to
6 instruction in the United States or elsewhere of such per-
7 sons as may be required to carry out the provisions of this
8 appropriation; travel expenses and transportation; services
9 as authorized by section 15 of the Act of August 2, 1946
10 (5 U. S. C. 55a), at rates not in excess of \$50 per day
11 and travel expenses for individuals; translation rights,
12 photographic work, educational exhibits, and dissemination
13 of information, including preview and review expenses inci-
14 dent thereto; expenses incident to the operation of schools
15 for American children; printing and binding; hire of pas-
16 senger motor vehicles and aircraft; repair and maintenance
17 of buildings, utilities, facilities, and appurtenances; con-
18 tingencies for the United States commanders of foreign
19 areas, to be expended in their respective discretions (not
20 exceeding amounts authorized or approved by the Secretary
21 of the Army); ~~such minimum supplies for the civilian~~
22 ~~populations of such areas as may be essential to prevent~~
23 ~~starvation, disease, or unrest, prejudicial to the objectives~~
24 ~~sought to be accomplished; \$1,250,000,000 such supplies,~~
25 *commodities, and equipment as may be essential to carry*

1 out the purposes of this appropriation; \$1,325,000,000, of
2 which not to exceed \$55,000,000 shall be available for ad-
3 ministrative expenses: *Provided*, That when military person-
4 nel of the Department of the Army are employed primarily
5 for the purposes of this appropriation, the mileage and other
6 travel allowances to which they may be entitled shall be
7 paid herefrom: *Provided further*, That the general provi-
8 sions of the appropriation Act for the fiscal year 1949 for
9 the military functions of the Department of the Army shall
10 apply to this appropriation: *Provided further*, That ex-
11 penditures from this appropriation may be made outside
12 continental United States, when necessary to carry out its
13 purposes, without regard to sections 355, 1136, 3648, and
14 3734, Revised Statutes, as amended, civil-service or clas-
15 sification laws, or provisions of law prohibiting payment of
16 any person not a citizen of the United States: *Provided*
17 *further*, That expenditures from this appropriation may be
18 made, when necessary to carry out its purposes, without
19 regard to section 3709, Revised Statutes, as amended, and
20 the Armed Services Procurement Act of 1947 (Public Law
21 413, Eightieth Congress): *Provided further*, That expendi-
22 tures may be made hereunder for the purposes of economic
23 rehabilitation in Japan, Korea, and the Ryukyus in such
24 manner as to be consistent with the general objectives of the

1 *Economic Cooperation Act of 1948: Provided further, That*
2 *funds appropriated hereunder and unexpended at the time of*
3 *the termination of occupation by the United States, of any*
4 *area for which such funds are made available, may be ex-*
5 *pended by the President for the procurement of such com-*
6 *modities and technical services, and commodities procured*
7 *from funds herein or heretofore appropriated for government*
8 *and relief in occupied areas and not delivered to such an area*
9 *prior to the time of the termination of occupation, may be*
10 *utilized by the President, as may be necessary to assist in the*
11 *maintenance of the political and economic stability of such*
12 *areas: Provided, That before any such assistance is made*
13 *available, an agreement shall be entered into between the*
14 *United States and the recognized government or authority*
15 *with respect to such area containing such undertakings by*
16 *such government or authority as the President may determine*
17 *to be necessary in order to assure the efficient use of such*
18 *assistance in furtherance of such purposes: Provided further,*
19 *That such agreement shall, where applicable, include require-*
20 *ments and undertakings corresponding to the requirements*
21 *and undertakings specified in sections 5, 6, and 7 of the*
22 *Foreign Aid Act of 1947 (Public Law 389, 80th Congress):*
23 *Provided further, That funds appropriated hereunder may*
24 *be used, insofar as practicable, and under such rules and*
25 *regulations as prescribed by the Secretary of the Army, to*

1 pay ocean transportation charges from United States ports,
2 including territorial ports, to ports in Japan, Korea, and
3 the Ryukyus for the movement of supplies donated to, or pur-
4 chased by, United States voluntary nonprofit relief agencies
5 registered with and recommended by the Advisory Com-
6 mittee on Voluntary Foreign Aid or of relief packages con-
7 signed to individuals residing in such countries: Provided
8 further, That under the rules and regulations to be prescribed,
9 the Secretary of the Army shall fix and pay a uniform rate
10 per pound for the ocean transportation of all relief packages
11 of food or other general classification of commodities shipped
12 to Japan, Korea, or the Ryukyus regardless of methods of
13 shipment and higher rates charged by particular agencies of
14 transportation: Provided further, That service during the
15 fiscal year 1949 of an individual rendered to the Department
16 of the Army under this appropriation as an expert, consultant,
17 or technician shall not be considered as service or employment
18 bringing such individual within the provisions of section 109
19 or 113 of the Criminal Code (U. S. C., title 18, secs. 198
20 and 203), of section 190 of the Revised Statutes (U. S. C.,
21 title 5, sec. 99), or of section 19 (e) of the Contract Settle-
22 ment Act of 1944, or of any other Federal law imposing re-
23 strictions, requirements, or penalties in relation to the employ-
24 ment of persons, the performance of services, or the payment
25 or receipt of compensation in connection with any claim, pro-

1 *ceeding, or matter involving the United States: And provided*
 2 *further, That the Joint Committee on Foreign Economic*
 3 *Cooperation established pursuant to provisions of section 124*
 4 *(a) of the Economic Cooperation Act of 1948 shall have*
 5 *the same duties, powers, and responsibilities with respect to*
 6 *programs carried out by appropriations for Government and*
 7 *Relief in Occupied Areas as it has with respect to programs*
 8 *under the Economic Cooperation Act of 1948.*

9 DEPARTMENT OF STATE

10 INTERNATIONAL ACTIVITIES

11 United States participation in international organizations:
 12 For expenses necessary for United States participation in
 13 international organizations, including payment of the annual
 14 contributions, quotas, and assessments, and costs of perma-
 15 nent United States representation to such organizations, in
 16 not to exceed the respective amounts as follows:

17 International Refugee Organization (Public Law 146,
 18 Eightieth Congress), \$70,710,228, of which amount
 19 \$70,643,728 shall be available for contribution: ~~Provided,~~
 20 ~~That none of the funds appropriated herein shall be avail-~~
 21 ~~able for contribution to the International Refugee Organ-~~
 22 ~~ization until such time as there are effected agreements~~
 23 ~~providing for a calorie diet for the occupants of refugee~~
 24 ~~camps that is no higher than that prevailing in the country~~
 25 ~~in which such camps are located.~~

TITLE II—GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this title shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence, ~~or who is a member of any labor organization the officers of which have not complied with the requirements of subsection (h) of section 9 of the National Labor Relations Act as amended by the Labor Management Relations Act, 1947:~~ *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence, ~~or that such person is not a member of any labor organization the officers of which have not complied with the~~

1 requirements of subsection ~~(h)~~ of section 9 of the Na-
2 tional Labor Relations Act as amended by the Labor-
3 Management Relations Act, 1947: *Provided further*, That
4 any person who engages in a strike against the Government
5 of the United States or who is a member of an organization
6 of Government employees that asserts the right to strike
7 against the Government of the United States, or who advo-
8 cates, or who is a member of an organization that advocates,
9 the overthrow of the Government of the United States by
10 force or violence, and accepts employment the salary or
11 wages for which are paid from any appropriation contained
12 in this title shall be guilty of a felony and, upon conviction,
13 shall be fined not more than \$1,000 or imprisoned for not
14 more than one year, or both: *Provided further*, That the
15 above penalty clause shall be in addition to, and not in sub-
16 stitution for, any other provisions of existing law.

17 SEC. 202. No funds made available under the authority
18 of this Act shall be used for the purchase of any com-
19 modities ~~(other than commodities procured by or in the~~
20 possession of the Commodity Credit Corporation pursuant
21 to Act of July 1, 1941 (55 Stat. 498), as amended), at
22 prices higher than the market price prevailing in the United
23 States at the time of the purchase: *Provided*, That no funds
24 available under this Act shall be used for the purchase of
25 wool other than from existing stocks owned by the Com-

1 modity Credit Corporation, unless or until such stocks are
2 exhausted.

3 *SEC. 202. None of the funds available under this Act*
4 *shall be used for the purchase of wool other than from existing*
5 *stocks owned by the Commodity Credit Corporation, unless*
6 *or until such stocks are exhausted.*

7 *SEC. 203. Not more than \$50,000,000 of the funds*
8 *herein appropriated shall be used for the purchase of farm*
9 *machinery, including farm tractors.*

10 *SEC. 203. No part of the funds herein appropriated*
11 *shall be used to purchase farm machinery in the United*
12 *States in an amount which will bring the total purchases of*
13 *such machinery during fiscal year 1949, in the United States,*
14 *by or for the benefit of the countries participating in the*
15 *European recovery program, to more than \$75,000,000.*

16 *SEC. 204. Whenever an export license for a commodity,*
17 *the production or shipment of which to a nonparticipating*
18 *country was contracted for in good faith prior to March 1,*
19 *1948, is denied and cannot be obtained under section 6 of*
20 *the Act of July 2, 1940 (54 Stat. 714), as amended, the*
21 *Administrator shall provide for the procurement of such*
22 *commodity to transfer to a participating country in accord-*
23 *ance with the requirements of such country, at not less than*
24 *the contract price of such commodity to the producer or*
25 *exporter, as the case may be, including any cost incurred in*

1 converting the commodity to meet the requirements of the
2 participating country.

3 SEC. 205. Not less than 50 per centum of all nitrates
4 or nitrogenous fertilizer material, including anhydrous am-
5 monia, obtained for participating countries by the Economic
6 Cooperation Administration under the Economic Coopera-
7 tion Act of 1948 with funds provided herein shall come from
8 production of the Department of the Army and the Depart-
9 ment of the Army is hereby authorized to produce and sell
10 such nitrogenous fertilizer materials, including anhydrous
11 ammonia, to fill such 50 per centum of such export
12 requirements.

13 SEC. 204. Not less than 50 per centum of the United
14 States export requirements of nitrogenous fertilizer materials
15 or nitrogenous compounds (including anhydrous ammonia)
16 for nonoccupied areas shall come from production of plants
17 operated by or for the Department of the Army. The De-
18 partment of the Army is hereby authorized to produce and
19 sell, in addition to its production for occupied areas, such
20 nitrogenous fertilizer materials or nitrogenous compounds
21 (including anhydrous ammonia) required for United States
22 exports to nonoccupied areas and to credit the proceeds of
23 such export sales to miscellaneous receipts of the Treasury.

24 SEC. ~~206~~ 205. No funds made available under this Act
25 shall be used by any governmental agency for the purpose of

1 building additional commercial manufacturing plants in the
2 United States.

3 SEC. ~~207~~ 206. This Act may be cited as the “Foreign
4 Aid Appropriation Act, 1949”.

Amend the title so as to read: “An Act making appropriations for foreign aid, and for other purposes.”

Passed the House of Representatives June 4, 1948.

Attest:

JOHN ANDREWS,

Clerk.



80TH CONGRESS
2d Session

H. R. 6801

[Report No. 1626]

AN ACT

Making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

JUNE 7 (legislative day, JUNE 1), 1948

Read twice and referred to the Committee on
Appropriations

JUNE 14 (legislative day, JUNE 1), 1948

Reported with amendments

27. FOREIGN AID APPROPRIATION BILL. Passed, 60-9, with amendments this bill, H. R. 6801 (pp. 8565-80). As passed by the Senate, the appropriations would be for a 12-months period and would be as follows: Economic cooperation, \$4,000,000,000; government and relief in occupied areas, \$1,325,000,000; assistance to China, \$460,000,000; assistance to Greece and Turkey, \$250,000,000; International Children's Emergency Fund, \$20,000,000; and International Refugee Organization, \$70,710,228. The Senate increased the limitation on farm-machinery purchases from \$50,000,000 to \$75,000,000; inserted a provision that none of these funds be used for purchases of wool other than from CCC stocks until such stocks are exhausted; struck out the requirement that at least \$65,000,000 be used for nonfat dry milk solids; and removed the provision banning purchase of commodities for the program at prices higher than those in the U. S., but the committee report includes a statement which is quoted below. All these were committee amendments. In addition, agreed to an amendment by Sen. Morse, Oreg., to require the ECA Administrator and the Army Secretary to adjust export allotments of fertilizer materials and compounds by taking into account domestic needs of anhydrous ammonia to the end of supplying domestic fertilizer plants with enough of it to meet domestic fertilizer needs (p. 8579).

Excerpts from committee report:

Prices. "The committee believes that no funds made available under this act should be used to purchase commodities, except under limited special circumstances, at more than the current market price in the United States at the time of the purchase, making adjustments for differences in the cost of transportation to destination, quality, and terms of payment. Limited deviation from this rule will be justified in special situations as, for example, for off-shore purchases when purchases in the United States might materially force up the market price because of insufficient supply, or in which the Department of Commerce might feel that export licenses should not be granted, or for domestic purchases from the Commodity Credit Corporation.

"The committee recognizes that any direct prohibition of such purchases would present an almost insurmountable task of policing if every transaction made through private channels is to be checked. Some check might be furnished by requiring a certificate from the supplier that the price charged by him was not in excess of the current market price at the time.

"Some deviations from this general price policy will normally occur in the ordinary course of business. However, the Administrator is expected to limit strictly material deviations from this general price policy. Flagrant or constant violation shall be considered by him as reason to employ sanctions contained in section 118 of the act."

Fertilizers. "The committee has refused to recommend an amendment requested by the Army to allow the use of occupied area funds for the expansion of fertilizer plants in this country. It was brought to the attention of the committee that the Army has been negotiating many months for a lease of one of four of the plants involved in the Army plans. The several prospective lessees have offered to increase the production of fertilizer to the amount contemplated by the Army. It is the opinion of the committee that these plants should be leased as soon as feasible on terms favorable to the Government, and that the Army should not attempt to manufacture fertilizer for itself on a cost-plus contract basis where the Army facilities can be leased to private enterprise with profit to the Government.

Sens. Bridges, Gurney, Brooks, Reed, McKellar, Hayden, and Thomas of Okla. were appointed conferees on the bill (p. 8530).

28. ~~GOVERNMENT CORPORATIONS APPROPRIATION BILL.~~ Passed with amendments this bill, H. R. 6481 (pp. 8504, 8507-48). Sens. Ferguson, Reed, Wherry, McKellar, and Russell were appointed conferees (p. 8548). Agreed, 45-37, to a committee amendment including \$4,000,000 for a TVA steam plant (pp. 8507-40). Several Senators discussed the FCA items (pp. 8540-2). Agreed to an amendment by Sen. Cooper, Ky., to provide that the \$20,000,000 of production credit corporation funds be returned to the revolving fund instead of the Treasury (pp. 8546-7).
29. ~~FARM PROGRAM.~~ Began debate on S. 2318, the Aiken long-range farm-program bill (pp. 8553-65). The time was taken by an explanation of the bill, by Sen. Aiken. Debate on this bill is to continue today.
30. ~~WATER POLLUTION.~~ Senate conferees were appointed on S. 418, to control water pollution through the Public Health Service (pp. 8550-3).
31. ~~NAVAL APPROPRIATION BILL.~~ Passed as reported this bill, H. R. 6772; and conferees were appointed (pp. 8554-8).
32. ~~OLEOMARGARINE TAXES.~~ Voted, 57-26, in favor of a motion by Sen. Fulbright, Ark., to take up H. R. 2245, which would repeal oleo taxes. Sen. Langer, N. Dak., then offered an anti-lynching rider, and no action was taken on the bill (pp. 8499-502).
33. ~~FOREST LANDS.~~ The Agriculture and Forestry Committee reported without amendment S. 2816, to direct the Secretary of Agriculture to convey a small tract of forest land to Oklahoma for the construction of a dam (S.Rept. 1628) (p. 8487).
34. ~~PERSONNEL.~~ The Post Office and Civil Service Committee reported without amendment H.R. 6454, to amend the Civil Service Retirement Act so as to provide annuities for certain Federal employees who have rendered at least 20 years of service in the investigation and apprehension of persons suspected or convicted of offenses against the U.S. (S.Rept. 1668) (p. 8489).
The Post Office and Civil Service Committee reported without amendment H.R. 4917, to provide further benefits for certain employees of the U.S. who are veterans of World War II and lost opportunity for probational civil-service appointments by reason of their service in the armed forces of the U.S., and who, due to service-connected disabilities, are unable to perform the duties of the positions for which examinations were taken (S.Rept. 1680) (p. 8489).
The Post Office and Civil Service Committee reported without amendment S. 2740, to amend the Civil Service Retirement Act relative to the naming of beneficiaries prior to April 1, 1948 (S.Rept. 1685) (p. 8553).
35. ~~VETERANS' BENEFITS.~~ The Labor and Public Welfare Committee reported with amendment S. 2790, to amend the Servicemen's Readjustment Act so as to provide a secondary market for GI loans (S.Rept. 1701) (p. 8553).
36. ~~ASSISTANT SECRETARIES.~~ The Foreign Relations Committee reported an original bill, S. 2869, continuing the authority for the appointment of two additional Assistant Secretaries of State for 1 year (S.Rept. 1683) (p. 8553).

and myself, I send to the desk an amendment to be offered to the bill, to be printed and to lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. MAYBANK. Mr. President, I wish to ask the Senator from Vermont a question.

The PRESIDING OFFICER. The Senator from Vermont technically still has the floor. He did not yield the floor. Does the Senator yield to the Senator from South Carolina?

Mr. AIKEN. I yield.

Mr. MAYBANK. Mr. President, as I understand this long-range agricultural bill, insofar as cotton is concerned and so far as the Commodity Credit Corporation is concerned, it makes a reduction in cotton parity from 90 percent to 75 percent, with an additional 4-cent reduction and an additional variation in regard to other commodities.

Mr. AIKEN. It would mean 75 percent for normal supply. Beginning last year the supply was just a trifle over normal. It would probably be normal next year.

Mr. MAYBANK. The Senator from Vermont will admit that the Commodity Credit Corporation made over \$100,000,000 on cotton last year, as stated by C. C. Smith, the chairman of the Commodity Credit Corporation. In other words, the parity on cotton is going to be reduced from 90 percent to 75 percent?

Mr. AIKEN. No, not in 1 year. We provide that parity cannot be reduced over 5 percent in any 1 year. In the meantime, the bad years of cotton, when it brought only 9 cents, 1938, 1939, and 1940, will be dropped from the 10-year period, and the 30-cent years will be added, so that the parity price of cotton is very likely to come up, and possibly in 3 years might exceed what the parity would be under the old method of computing it. I have no figures with me tonight, but I shall be glad to produce them tomorrow.

Mr. MAYBANK. The Senator will remember the late John Bankhead, of Alabama, who took such an interest in the cotton growers, and Representative Steagall, who was a member of the Committee on Banking and Currency of the House of Representatives. The Senator from Vermont well knows that cotton was not at parity in 1939 and 1940, but also was not during the war years, 1941, 1942, and 1943, and am I now to be told, coming from a cotton State, that the plan is further to reduce the parity on cotton, after the cotton farmer has been robbed of millions of dollars, so that the Government can ship it to Japan to run MacArthur's business, and to make a record for the Army and to run the Government of Japan? The farmer seems to be forgotten. I merely wish to say to the Senator from Vermont that I think it is an outrage and a disgrace that cotton should be reduced and the loan should be reduced from 90 to 75 percent in the face of what has happened to cotton.

Mr. AIKEN. Mr. President, I refuse to yield further, but I do hope the Senator from South Carolina will not for-

get the efforts I have put in to help the cotton growers when they needed it most, and I say to him tonight that this new parity formula I know will increase the price of cottonseed 20 percent, and will, I believe, more than offset the slight reduction in cotton. But I refuse to yield further.

Mr. MAYBANK. If I may make a remark as one coming from a cotton State, the cottonseed is only used to pay the expense of ginning and baling the cotton and the picking of cotton. That has nothing to do with the price of raw cotton.

FOREIGN AID APPROPRIATIONS

Mr. WHERRY. Mr. President, I ask unanimous consent that the unfinished business be temporarily set aside and that the Senate proceed to the consideration of House bill 6801, the so-called Economic Cooperation Administration appropriations.

There being no objection, the Senate proceeded to consider the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. BRIDGES. Mr. President, at this time I wish to present from the Senate Committee on Appropriations the recommendations for foreign aid appropriations for the coming year. It is my belief that the Senate will not consider during this year a bill of greater import to our economy or of more lasting significance to the security of this Nation and the world.

In its simplest terms, the appropriation which the committee recommends calls for the expenditure of American dollars to aid the recovery of Europe and to extend help into many war-ravaged areas of the world. In its broader aspects, however, this bill provides for the shipment of American production and wealth at a cost of personal sacrifice of every citizen of the Republic. The appropriation is a venture in faith on the part of this Nation. It expresses the belief that the freedom-loving people of the world, by sharing their resources and their strength, can withstand the tyrannous forces of a philosophy and government that holds in slavery the peoples of more than half of Europe. The appropriation is recommended because there is in America a widespread conviction that the free people of the world must stand or fall together and that a portion of the resources of this Nation should be put temporarily at the disposal of other free peoples until the non-Communist governments can recover their mutual strength.

The great bulk of the money will be distributed in western Germany and the 16 nations of Europe who were signatories at the Paris Conference. Members of the Senate Appropriations Committee traveled during the past year through these various countries. We have seen at first hand the conditions which we seek to correct through this appropriation. We have seen the shat-

tered cities and towns that were destroyed by a war which has disrupted also the normal patterns of industry and trade. We have seen people in Europe who have turned to the false promises and early disillusionment of communism because the difficulties of ordinary living have made them lose confidence in the institutions of free government. Members of the committee believe, as most Americans believe, that free governments can be maintained in Europe if two conditions are fulfilled. The first condition is that the European nations must make a total effort to help themselves. The second condition is that some limited outside assistance be given them to start again the flow of raw materials, the movement of goods in trade and the stabilization of inflated currencies.

Obviously the resources of the United States are not adequate to meet the full needs of the world. Such aid as we can extend to nations on whose strength we can count in future years must be extended wisely and with great caution. Those of us who have seen Europe since the war have seen also vast stores of American equipment dumped in foreign fields. We have seen the production and wealth of American workers spent to no good purpose whatsoever. I can conceive of no more tragic a conclusion than that this appropriation should follow the pattern of past appropriations made by this Government in some instances for foreign aid. If such should be the case, then we should be guilty of having exploited human hope to waste the substance of this Nation.

With adequate precautions on the part of Congress and with responsible administration by those to whom these funds will be entrusted, no such consequences need occur. In the hope that such consequences will not occur the committee presents its program.

Mr. President, the Senate Committee on Appropriations recommends that the sum of \$6,125,710,228 be provided for assistance to the people of foreign countries during the coming year. This amount is \$408,000,000 below the budget estimates for the program. It is \$245,000,000 above the amounts allowed by the House action on the foreign-aid bill.

To present a proper perspective of the action of the Senate Appropriations Committee in relation to that of the House, however, it will be necessary to state in greater detail the differences between the bill as it passed the House and the bill that is recommended to the Senate. Actually, the committee recommendation, if adopted, would increase expenditure under this program by an indefinite amount, in excess of \$1,100,000,000. The effect of the possible Senate action upon the expenditures for foreign aid can be stated in terms of the amounts recommended for the European recovery program and for China.

FOR THE EUROPEAN RECOVERY PROGRAM

The budget estimate requested \$5,300,000,000 for 17 countries for 12 months.

The House allowed \$5,055,000,000 for 21 countries for 15 months.

The committee recommends the sum of \$5,055,000,000 for 18 countries for 12 months.

FOR THE CHINA PROGRAM

The authorization provided for \$463,000,000 for 12 months, of which \$125,000,000 was for grants sought by the Chinese Government.

The House allowed \$400,000,000 for 15 months to be expended in accordance with the provisions for Greek-Turkey aid.

The Senate Appropriations Committee recommends that \$460,000,000 be provided for 12 months, of which \$125,000,000 shall be given in grants for military and other requirements of the Chinese Government.

The committee recommends that other programs which are provided for in this bill be furnished the following amounts:

Government and relief in occupied areas should have \$1,325,000,000, of which \$125,000,000 is earmarked for recovery in the Japanese area, and the remainder is designated for the prevention of disease and unrest in Germany, Austria, and the Japanese area.

The sum of \$250,000,000 should be applied to the Greek-Turkey program, which is an increase of \$50,000,000 over the House amount and a decrease of \$25,000,000 below the budget estimate.

The full budget estimate of \$70,710,228 is recommended for the use of the International Refugee Organization of \$20,000,000 is allowed for the United Nations International Children's Emergency Fund, which is \$40,000,000 below the amount allowed by the House.

Although this bill is reported in the rush of the closing days of this session, and is presented to the Senate within a week of the vote in the House, the bill has had careful study by the Senate Appropriations Committee. We began our hearings more than a month ago without any bill before us and with no knowledge of what action the House would take. Such a procedure is highly unusual and to my knowledge has only the precedent that the Appropriations Committee made when we proceeded in advance, without waiting for House action, to study the interim aid bill.

In the committee hearings testimony was offered by many witnesses of the Government, by the individuals who will administer the funds appropriated, and by private citizens who the committee felt had pertinent experience and knowledge.

There was evidenced strong support for the aims and purposes of the foreign-aid programs, and particularly for the European recovery program, but in all the great detail of testimony submitted to the committee there was little information on which the committee could base a firm, precise, stable, and undisputed appropriation figure.

Let me discuss with the Senate very briefly the type of evidence on which we have had to recommend this appropriation.

We were given detailed analyses of the type of goods which might move from the Western Hemisphere to the participating countries of western Europe. It was on this trade movement that the estimates

for the program were computed by the executive branch of the Government, yet the committee was told, also, that ECA purchases will not be limited to the Western Hemisphere and that the dollars we appropriate in this bill may be spent anywhere on earth.

The committee was given an estimate that \$22,000,000 will be required out of ECA funds to meet shipping costs and other dollar deficits during the next 12 months. The figure was derived by deducting miscellaneous dollar income from the total dollar payments for shipping of the participating nations. It was testified that, without reservation, the \$22,000,000 figure is utterly unrealistic as a statement of the payments which the Administrator of the program must make to move the goods furnished.

The justifications by which the committee had to determine the amount of the appropriation were extremely general. We were not asked to provide money to purchase any particular goods or to meet any specified needs. In effect, we were told that we were buying recovery and the price tag was established by a deficit in the balance of payment arising out of projected trade patterns. The proponents of the program did not justify the expenditure of \$5,300,000,000 on a reasonable basis. Instead, the committee has been challenged to justify a cut in a program that has shifted its figures constantly as the Congress has questioned the propriety of the various component parts.

From the testimony which the committee heard on the European recovery program, the members of the committee felt that for many reasons the executive branch of the Government had set some of its estimates too high.

In the list of 50 items studied there were many instances where it appeared that shipments for the coming year, in view of past European imports, were unrealistically large. Such commodities as tobacco, petroleum, agricultural machinery, fertilizer, fats and oils, and cotton were listed to move from the Western Hemisphere in relatively large quantities.

There was a fundamental doubt in the minds of many members that \$4,000,000,000 can be expended wisely in the short space of a year, and there is a remaining fear that expenditures may be forced, and will result in a repetition of UNRRA tactics with wholesale dumping of American wealth in foreign lands. In this respect the committee presents the four-billion-dollar figure with hopes that the Watchdog committee, so-called, established in the authorization act can be successful as a deterrent to unwise expenditure.

Over the months in which the justifications for the foreign-aid program have been before this Congress the executive branch has shifted its studies constantly, obtaining ever-new subtotals out of the same set of facts, yet remaining always within the same \$5,300,000,000 grand total of the program. Despite the vast improvement in crop prospects in Europe, imports of food and tobacco were estimated to total \$308,000,000 more in March than they were estimated in December. The proposed imports of

seven nations were reduced by \$800,000,000 in late revisions of the estimates, and the estimated needs of the remaining nations were increased by the same amount.

It is the earnest hope of the Senate Appropriations Committee that more realistic justifications will be presented for any appropriation to be made after next January for further expenditure in 1949 and in 1950. There is no reason why this appropriation cannot be sought in terms of expenditures that somebody actually proposes to make. The Congress should be asked to provide fixed sums for relief, for development of power, for shipping costs, for inland transportation, for administration, and for various recovery items. There is no reason why this Congress should be asked to appropriate money freely for worldwide expenditure for any commodity under the sun on the basis of studies of possible trade movement between the Western Hemisphere and western Europe.

The funds the committee recommends at this time are extremely generous. It is the largest recommendation for an appropriation ever made in peacetime for foreign aid in the history of our country. If the money is expended wisely, it may result in savings in our national military budget. If the recovery program is successful to any appreciable degree, it will open certainly whole new areas of trade and enterprise to American commerce.

With faith that a better world can be built out of the hopes of mankind; with hope for the promise of restored stability of European government and trade; with hope for a strong United States in a prosperous and peaceful family of democratic nations, the Senate Committee on Appropriations presents this bill to the Senate for action and asks for its passage.

Mr. President, I ask that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the first committee amendment.

The first amendment of the Committee on Appropriations was, on page 1, line 5, after the word "for", to strike out "the period beginning April 3, 1948, and ending June 30, 1949" and insert "such periods as are specified herein ending not later than June 30, 1949."

The amendment was agreed to.

The next amendment was, under the heading "Title I—Economic Cooperation", on page 2, line 1, after the word "until", to strike out "June 30" and insert "April 2."

Mr. VANDENBERG. Mr. President, this is the key amendment in the bill, and I shall ask for the yeas and nays, because I think it is highly important that the position of the Senate should be unmistakably plain.

I wish to say in a sentence to the able chairman of the Appropriations Committee that I am personally profoundly grateful to him and his committee for the good faith and good spirit in which

they have approached this entire problem. It has never occurred to me that the figures which came down in the estimates were untouchable. As the Senator may recall, in my own plea to the committee I was chiefly urging against the general horizontal cut of more than \$1,000,000,000 involved in the pending amendment, rather than challenging any of the specific figures.

I would not undertake to say that I was in accord with the committee in respect to all the various amendments which it made; but, speaking generally and over all, I think the report is a highly acceptable one under all the circumstances, and I feel that the committee has proceeded in full accord with the tremendous undertaking which we are underwriting in the bill.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BRIDGES. On behalf of the Senate Committee on Appropriations, I thank the distinguished Senator from Michigan for his statement.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, line 1.

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Moore
Baldwin	Hawkes	Morse
Ball	Hayden	Murray
Barkley	Hickenlooper	O'Connor
Bricker	Hill	O'Daniel
Bridges	Hoey	O'Mahoney
Brooks	Holland	Pepper
Butler	Ives	Revercomb
Byrd	Jenner	Robertson, Va.
Cain	Johnson, Colo.	Russell
Capehart	Johnston, S. C.	Saltonstall
Capper	Kem	Smith
Chavez	Kilgore	Sparkman
Connally	Knowland	Stennis
Cooper	Langer	Stewart
Cordon	Lodge	Taft
Donnell	Lucas	Taylor
Dworshak	McCarthy	Thomas, Okla.
Eastland	McClellan	Thye
Eaton	McFarland	Tydings
Ellender	McKellar	Umstead
Feazel	McMahon	Vandenberg
Ferguson	Magnuson	Watkins
Flanders	Malone	Wherry
Fulbright	Martin	Wiley
Green	Maybank	Young
Gurney	Millikin	

The PRESIDING OFFICER (Mr. IVES in the chair). Eighty Senators having answered to their names, a quorum is present.

The question is on agreeing to the committee amendment at the top of page 2, striking out "June 30" and inserting "April 2."

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Delaware [Mr. BUCK], the Senator from Maine [Mr. BREWSTER], the Senator from Wyoming [Mr. ROBERTSON], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Iowa [Mr. WILSON] are absent on official business.

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Kansas [Mr. REED], and the Senator from Maine [Mr. WHITE] are necessarily absent.

The Senator from Delaware [Mr. WILLIAMS] is unavoidably detained.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Rhode Island [Mr. McGRATH], the Senator from Nevada [Mr. McCARRAN], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Georgia [Mr. GEORGE] is absent because of a death in his family.

The Senator from Pennsylvania [Mr. MYERS] is absent on public business.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a national delegate by the President to the annual conference of the International Labor Organization, meeting in San Francisco, Calif.

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Georgia [Mr. GEORGE], the Senator from Rhode Island [Mr. McGRATH], the Senator from Nevada [Mr. McCARRAN], the Senator from Pennsylvania [Mr. MYERS], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "yea."

The result was announced—yeas 64, nays 15, as follows:

YEAS—64

Aiken	Hatch	O'Connor
Baldwin	Hayden	O'Mahoney
Ball	Hickenlooper	Pepper
Barkley	Hill	Robertson, Va.
Bricker	Hoey	Russell
Bridges	Holland	Saltonstall
Cain	Ives	Smith
Capper	Johnson, Colo.	Sparkman
Chavez	Kilgore	Stennis
Connally	Knowland	Stewart
Cooper	Lodge	Taft
Cordon	Lucas	Thomas, Okla.
Donnell	McCarthy	Thye
Eastland	McFarland	Tydings
Eaton	McKellar	Umstead
Ellender	McMahon	Vandenberg
Feazel	Magnuson	Watkins
Ferguson	Martin	Wherry
Flanders	Maybank	Wiley
Fulbright	Millikin	Young
Green	Morse	
Gurney	Murray	

NAYS—15

Brooks	Hawkes	Malone
Butler	Jenner	Moore
Byrd	Johnston, S. C.	O'Daniel
Capehart	Kem	Revercomb
Dworshak	McClellan	Taylor

NOT VOTING—17

Brewster	McCarran	Tobey
Buck	McGrath	Wagner
Bushfield	Myers	White
Downey	Reed	Williams
George	Robertson, Wyo.	Wilson
Langer	Thomas, Utah	

So the amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 2, in line 4, after the word "exceed", to strike out "\$30,000" and insert "\$100,000"; in the same line, after the amendment just above stated, to insert "purchases of typewriters and similar machines where same cannot be procured under the provisions of the Treasury-Post Office Departments Appropriation Act, 1949;" in line 7, after the word "exceed", to strike out "forty" and insert

"sixty"; in line 9, after the word "vehicles", to insert "purchase (not to exceed two), maintenance, and operation of aircraft;" in line 12, after "(28 U. S. C. 921)", to insert "deposits in the Treasury for penalty mail (39 U. S. C. 321d)"; and in line 25, after the word "certified", to insert a semicolon and "and of which such amount as may be necessary but not to exceed \$20,000,000 shall be available for assistance to the Free Territory of Trieste or either of its zones under the provisions of Public Law 389, Eightieth Congress, first session, until the Free Territory of Trieste or either of its zones becomes eligible for assistance under the Economic Cooperation Act of 1948, which amount shall be charged with any advances made heretofore by the Reconstruction Finance Corporation pursuant to section 103 (b) of the Economic Cooperation Act of 1948, and the Administrator is hereby authorized to repay the Reconstruction Finance Corporation for advances pursuant to section 103 (b) from the sum available for assistance to Trieste or either of its zones under this section."

The amendment was agreed to.

The next amendment was, on page 3, line 13, after the amendment last above stated, to strike out the colon and the following proviso:

Provided, That of the amount herein appropriated not less than \$65,000,000 shall be utilized for acquiring in the United States nonfat dry milk solids:

The amendment was agreed to.

The next amendment was, on page 3, line 16, after the amendment last stated, to strike out the following additional proviso:

Provided further, That not to exceed \$68,000,000 may be expended for administrative and other expenses including not to exceed \$10,000,000 for direct administration and not to exceed \$10,000,000 for guaranties of investment in enterprises producing or distributing informational media, provided for under section 111 (b) (3) of the Economic Cooperation Act of 1948:

The amendment was agreed to.

The next amendment was, on page 3, line 22, after the amendment last stated, to strike out the following additional proviso:

Provided further, That not less than 10 percent of each special local currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 shall be allocated to the use of the United States Government for expenditure for strategic materials or other local currency requirements of the United States of America:

The amendment was agreed to.

The next amendment was, on page 4, line 3, after the amendment last stated, to strike out the following additional proviso:

Provided further, That allocations of funds provided pursuant to provisions of the Economic Cooperation Act of 1948 for Austria and any country under occupation by forces of the United States shall be made to the United States Military Government of such countries for administrative and other expenses:

The amendment was agreed to.

The next amendment was, on page 4, line 9, after the amendment last stated,

to strike out the following additional proviso:

And provided further, That expenditures may be made hereunder for the purposes of economic rehabilitation in Japan, Korea, and the Ryukyus in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948:

The amendment was agreed to.

The next amendment was, on page 4, line 13, after the amendment last stated, to insert the following proviso:

Provided, That where the Economic Cooperation Administrator requests the United States military authorities to perform certain functions under the act, the Economic Cooperation Administrator shall reimburse the military authorities for administrative expenses incurred in the performance of such functions: *Provided further,* That not to exceed \$63,000,000 may be expended for administrative and other expenses.

The amendment was agreed to.

The next amendment was, on page 4, line 20, after the amendment last stated, to insert the following additional proviso:

Provided further, That pursuant to section 117 (c) of the Foreign Assistance Act of 1948, the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation:

The amendment was agreed to.

The next amendment was, on page 5, line 1, after the amendment last stated, to insert the following additional proviso:

Provided further, That guaranties of investments in enterprises producing or distributing informational media provided for under section 111 (b) (3) of the Economic Cooperation Act of 1948 shall not exceed \$10,000,000 in the first year.

The amendment was agreed to.

The next amendment was, on page 5, line 6, after the amendment last stated, to insert the following additional proviso:

Provided further, That there shall be included within the local currency administrative expenditures of the United States such sums as may be necessary to meet expenditures of members and staff of the Joint Committee on Foreign Economic Cooperation in the course of performance of committee functions within respecting participating countries.

The amendment was agreed to.

The next amendment was, under the heading "International Children's Emergency Fund," on page 5, line 17, after the numerals "1948", to strike out "\$60,000,000" and insert "\$20,000,000."

Mr. MORSE. I would like to have an explanation by the distinguished chairman of the committee in regard to that reduction, and I perhaps can save time by asking him whether I am correctly advised that one reason for the reduction from \$60,000,000 to \$20,000,000 for the International Children's Emergency Fund was the belief or finding of the committee that a certain portion of the fund was to be used behind the iron curtain.

Mr. BRIDGES. That is correct. More than 60 percent of it last year went to

countries behind the iron curtain. The committee found no evidence that there was any guaranty that the money going behind the iron curtain went to children of parents who were free with respect to their own political affiliations. In other words, the assistance, according to many of the reports which the committee received, went to children who were affiliated in some way with families who were Communist or were in favor with the governments, not to the children of parents who favored the democracies or who had no Communist feelings. This in no way shuts off all the funds. It allows a fund to go forward, but it does not provide them with as much money as they would like to have; and I have stated one of the major reasons for that.

Mr. MORSE. I should like to ask a second question of the Senator in regard to this particular item, referring to the information which I am sure many Senators have been receiving concerning the need for an increase in the funds for use among children in countries which are not behind the iron curtain. I inquire as to whether or not the committee is satisfied that \$20,000,000 will meet the needs of children in the countries which are not behind the iron curtain?

Mr. BRIDGES. I believe the answer to the question is yes. The fund already has a substantial carry-over. For instance, of the amount we appropriated last year there is a balance of something over \$12,000,000, and certain other amounts are going into the fund from UNRRA. All in all, in cash and in matching funds, there is available at this time around \$57,000,000. So there are adequate funds to work with, so the next objective should be to avoid indiscriminate feeding of those behind the iron curtain who are pro-Communist.

Mr. MORSE. I do not want to take any more time at this late hour, other than to call the attention of the distinguished chairman of the Appropriations Committee to my hope that when this matter goes to conference—and it is bound to be the subject of discussions in conference—that the Senate conferees will keep in mind, as I am sure they will, that there could hardly be a better expenditure of American dollars under the economic recovery program than the expenditure of American money for the benefit of the thousands upon thousands of homeless and orphan children in the devastated areas of Europe, the solution to whose problems after all will determine in large measure I think on the way Europe will go in the future. I certainly hope—and I shall take the Senator's word for it—that in conference the committee will make absolutely certain that all the money actually needed—and I think if we err at all on this item, we should err in the direction of over-generosity rather than of parsimony—for the help of those thousands of children will be made available. I would rather save elsewhere in the bill that save on giving aid to children, who, after all, are going to become the adults of Europe in a very few years, and will determine in large measure future American-European relations.

Mr. BRIDGES. I may say to the Senator from Oregon that there are \$5,300,000,000 earmarked for children and

adults of the participating countries. Much of that, of course, will find its way to the children of the free countries as well. This fund goes to the United Nations, and through United Nations participation must go to the countries all over Europe, including those behind the iron curtain. Reports of dozens and dozens of cases have come to us that this money is being used to foster Communists in countries behind the iron curtain, while others who believe in freedom and who are tinged with anticommunism in those countries are prevented from sharing in those funds, due to Government controls. There are certain steps taken by the Administrator to prevent abuses, insofar as possible, and they are making progress in that direction, but nevertheless that situation continues on a large scale.

Mr. MORSE. I am sure the Senator from New Hampshire knows the junior Senator from Oregon does not want any of our money used to aid communism. On the other hand, if we can work out the checks within the United Nations that would make it possible even for us to help children behind the iron curtain itself, I would be willing to see some American dollars used for that purpose, if we could have at least some reasonable assurances that it would have an influence in leading the child away from communism, rather than have to implant in him more deeply doctrines of communism.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, reference to page 3 of the committee report shows that the budget estimate for the Economic Cooperation Administration is \$5,300,000,000 for 17 countries for 12 months. By the House action the amount is \$5,055,000,000 for 21 countries for 15 months. The committee recommendation is \$5,055,000,000 for 18 countries for 12 months.

In other words, Mr. President, the Senate committee has increased by a considerable amount the amount of the appropriation for the Economic Cooperation Administration, and yet the item now under consideration shows that the committee reduced by \$40,000,000 the appropriation for the International Children's Emergency Fund.

Mr. President, I shall not ask for a vote, and I shall not offer any amendment, because I am hopeful that the matter can be worked out in conference, but I wish to say that it is a sad commentary upon this bill that we increase by millions the amounts available for the 18 countries of western Europe, and diminish by one-third the amount of the appropriation for the 20,000,000 hungry children of the world. What will be the comment by those who look at the action of the Senate, when they see that we have increased one fund and have diminished another that actually goes to the survival of 20,000,000 children of the world?

I mentioned in the debate on the ERP bill that the International Children's Emergency Fund needed \$250,000,000; not \$60,000,000, but \$250,000,000. That

is needed in order to give one meal a day, with matching by the countries affected, to the 20,000,000 hungry children of the world. What is to be the answer to those children, Mr. President—that we have not enough money to help them to get one meal a day?

In instance after instance we claim we are supporting the United Nations, that every individual unilateral action we take is in support of the United Nations, and yet when we look at the facts we find that when we cooperate at all with the United Nations we do it only to a very limited degree. It is an international agency functioning under the United Nations organization, yet we have given them only a pittance. Mr. President, it will not make any difference at this time, but some day someone reading the report will pass judgment upon what we do.

I simply want to register a protest against a policy which allows almost unlimited and uncapped millions for certain purposes, and nothing but penury, poverty, continued hunger, and continuing lack of cooperation with the United Nations to furnish one meal a day to the 20,000,000 hungry children of the world.

Mr. BRIDGES. Mr. President, let me say to the Senator from Florida, who speaks of hundreds of millions of dollars going to the participating countries, that a substantial part of the amount will go to the orphans and other children. A very large part of the appropriation will find its way into a program to strengthen the children of Europe. Sixty percent of the fund last year went to countries behind the iron curtain. On the day when anyone can stand on the floor of the Senate, or come before the Appropriations Committee, and say that a child born to non-Communist parents, in one of those countries behind the iron curtain, will receive an even break with children of Communist parents, I shall be willing to support appropriations. But it makes me sick and tired to appropriate money that helps to promote communism in those countries, and at the same time, have it denied to the only friends we have in those particular countries. How must it seem to a father or mother who desires an element of freedom and does not want to bow down to Soviet domination, to find that their children are denied food from the United States, while food supplied through the International Children's Fund goes to children of Communists in slave states?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. LANGER. Will the Senator tell me what children are not included?

Mr. BRIDGES. In the International Children's Fund?

Mr. LANGER. Yes. What children are not included?

Mr. BRIDGES. Those participating in the fund last year were children in Albania, Australia, Austria, Bulgaria, Canada, China, Czechoslovakia, Denmark, Dominican Republic, Finland, France, Greece, Hungary, Iceland, Italy, Luxemburg, Newfoundland, New Zea-

land, Norway, Poland, Rumania, South Africa, Switzerland, United Kingdom, Uruguay, and Yugoslavia.

Mr. LANGER. I take it that the children in Germany are not included?

Mr. BRIDGES. The children in Germany are not included in this appropriation.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. LUCAS. May I inquire of the able Senator whether, under this amendment, all children in Communist countries will be excluded from the relief?

Mr. BRIDGES. No. All we did was to reduce the amount. We did not offer any amendment to exclude them.

Mr. LUCAS. In other words, the amount was cut from \$60,000,000 to \$20,000,000, and the same countries which have been given relief heretofore will continue to receive it?

Mr. BRIDGES. Yes. Because we have no control over that. It is a United Nations program. We put the money into an International Fund which is administered by the United Nations. We have no control over where the money goes.

Mr. LUCAS. I do not quite see under what theory we should make a contribution to children in outright Communist countries.

Mr. BRIDGES. I do not, either; but, as a matter of fact, the only way we can prevent that is to make no contribution, because we are only one of the United Nations, and, although we supply most of the money, we cannot exercise a veto over the Fund. Therefore we must either withdraw from it, or continue our participation.

Mr. LUCAS. It seems to me that \$60,000,000 for the relief of children is a small sum, to begin with, if it is properly distributed. If we cannot have it distributed to those to whom it should go, to people who are friendly to our cause, it strikes me that we should establish an organization of our own to the end that we make a contribution of \$60,000,000 or more to children in the nations which are in sympathy with our ideals.

Mr. BRIDGES. I will say to the Senator from Illinois that I am very willing to appropriate \$60,000,000 and more than that in \$5,300,000,000 to go to children in countries which are participating in the European recovery program, but I am unwilling to throw the money to countries behind the iron curtain, unless I have assurance that the children of parents who love and want freedom will receive an even break with the other children.

Mr. LUCAS. I have great respect and compassion for every child, wherever he might be, but I definitely know that the child that is tutored under the Communist regime will grow up to be a Communist. That is a certainty. However, I would not hesitate to give to children in countries controlled by the Communists who resist communism if I knew they were getting the relief—that I seriously question?

Mr. BRIDGES. That is correct.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Kentucky.

Mr. BARKLEY. I merely wish to suggest that probably the United Nations itself, in the distribution of this fund, is not free to discriminate against any of the members of the United Nations, and a number of the nations to which reference has been made here are members of the United Nations, and therefore theoretically are on the same basis with other nations. I doubt whether the United Nations itself would feel authorized to discriminate against the children of these particular countries because they happen to be behind the iron curtain, but are still members of the United Nations, and must be dealt with as such. Therefore the only way by which we could control that probably would be in the reduction of the amount.

I deeply appreciate the inadequacy of the sum of \$20,000,000, even for the nations which are sympathetic with us and on our side in the controversy. Yet the \$60,000,000 probably would have to be distributed under the United Nations in approximately the same proportion as it has been heretofore, because the countries are members of the United Nations, and they would not feel justified in discriminating.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Florida.

Mr. PEPPER. If the Senator has the figures at hand, will he tell us what the total amount appropriated for the International Children's Fund has been for the present fiscal year, during the time of the existence of the organization?

Mr. BRIDGES. Does the Senator mean by the United States?

Mr. PEPPER. Yes; by the United States.

Mr. BRIDGES. A hundred million dollars was authorized, and \$40,000,000 has already been appropriated by the United States. There are still \$60,000,000 authorized, but we are recommending an appropriation of \$20,000,000.

Mr. PEPPER. Here is the figure I wish to call the Senate's attention. On page 12 of the committee report the following appears:

This year the Children's Fund had an appropriation under Public Law 84 of \$40,000,000 to be matched with funds of other nations in the feeding of children. Under its original matching formulas the fund was able to distribute only \$15,000,000 of the amount awarded by the United States.

That means that only \$15,000,000 was actually employed, because the other countries could match only \$15,000,000. So we put up only \$15,000,000.

I continue to read from the report:

A revision of the matching formula in the passage of the ECA authorization bill enabled the fund to distribute in the past few months an additional \$12,652,364.

That makes a total of not quite \$28,000,000 we have actually disbursed. I read further:

However, an unobligated balance of \$12,347,636 remained in the fund as of May 1, 1948. In addition to funds directly appropriated by the Congress, the Children's Fund

has been the recipient of several million dollars arising out of the liquidation of UNRRA. Money from this source continues to be received even at this late date.

What I wanted to suggest was, would the Senator say I was correct if I supposed that, let us say, \$75,000,000 would be the outside limit of all the United States has thus far contributed to this International Children's Emergency Fund? Would I be in error if I should say \$75,000,000 was the outside limit?

Mr. BRIDGES. We have not given that. We gave \$40,000,000 in an appropriation last year, of which there still remains in the fund \$12,652,364.

Mr. PEPPER. That is the point I wanted to make. Now we are cutting it down to \$20,000,000, in addition to what has been appropriated in the past. Yet I do not think anyone would question the fact that this international organization said there were from twenty to thirty million needy children in the world, that the funds should be made available on a matching basis. I heard on the floor of the Senate that the leader of the International Children's Emergency Fund said the children were having good meals, that the Organization was getting good cooperation from all these countries, and was gradually expanding the program. Yet the record convicts us—of course not with any evil design—on the facts and the figures, even with this appropriation, of not having made \$100,000,000 available to feed the twenty to thirty million hungry children in the world.

Mr. BRIDGES. Let me point out to the Senator that this is just one fund. The United States has been donating billions and billions and billions of dollars over the world, some \$23,000,000,000, since the war ended; and I might say to the Senator that a very large part of that has gone to feed the people of the world, a large percentage of whom have been children. So children all over the world have been among the prime beneficiaries of this very generous aid by the United States. This is just one particular project.

Mr. PEPPER. Yes, Mr. President, but if the Senator will allow me, I think it is substantially accurate at least to say that that was the UNRRA program, under which that kind of relief was distributed. The children's emergency fund came along as the successor to the UNRRA program.

I am not talking about the children in only one part of the world. I am talking about a child, whether it is black, or yellow, or brown, or red, or white, wherever it is under God's shining stars.

Mr. President, the able Senator has referred to the fact that some of these children are behind the iron curtain. I wonder if it is not a fact that in the memory of Senators on this floor there was nothing that so embittered the German population, probably nothing that gave Hitler more fuel for his evil designs, than for him to be able to point to the fact that the Allies kept a blockade around Germany's coast after the end of World War I and starved the German children. I wonder whether this odious communism, which we hope

will at some time, like a pest, pass from the earth, will be more aided and expedited in its passage and dissolution by making friends out of children wherever they are.

I do not question the motives of the committee, of course, but I do question the policy of showing the world that we have \$5,000,000,000 to spend upon the economic recovery of 18 western European countries, but could not even match the House appropriation to meet the hunger of the world's children.

Mr. HATCH. Mr. President, I wish to compliment the Senator from New Hampshire and the Committee on Appropriations on what they have done with this appropriation. I think they have performed an exceptional service, and I thank the chairman and all the members of the committee.

Mr. BRIDGES. I am grateful to the Senator for his comment.

Mr. HATCH. But I am wondering if the committee has not made a mistake in this particular item. It occurs to me a grave and serious mistake may be made right here. In the first place, we are going to herald throughout the world that the chief reduction made is in the children's fund.

Everything that has been said here tonight about hungry children is, of course, appealing to all of us, but I wish to suggest to the Senator and to the Senate that merely because a country is behind the iron curtain is no sign at all that the people of that country are Communists, or that any considerable number of them are. Take, for instance, the country of Poland, a country behind the iron curtain, or take Czechoslovakia, which is now behind the iron curtain. We can take nearly every one of the countries behind the so-called iron curtain and find that from 85 to 90 percent of the people are opposed to communism. It is only the very small minority, which has obtained control of the government by police methods, and by forcing their will upon the great mass of the population, that belongs to the Communist class. The children of those people who are not Communists are discriminated against because they happen to be behind the iron curtain.

Mr. WHERRY. If the Senator will permit, they are the very ones who do not get the food when it is sent into those countries.

Mr. HATCH. We cannot send food into Poland.

Mr. WHERRY. Certainly not.

Mr. HATCH. But the great majority of the children of Poland are from among those who are opposed to communism.

Mr. WHERRY. And they are the very ones who do not get the food when it is sent in there. I was over there and saw the conditions.

Mr. HATCH. If I knew that they would not receive the food, I would agree with the position taken by the committee.

Mr. WHERRY. The Senator brought UNRRA into the discussion. UNRRA was mentioned.

Mr. HATCH. I did not bring it up.

Mr. WHERRY. It was brought up in the discussion. I wish to say that I should like to support the children's

fund. I certainly would on the basis of the humanitarian plea which is made to us. But the argument the distinguished Senator from New Mexico is making is the very argument, by reason of which the committee did not increase the fund, but reduced it. The reason why the reduction was made was because those to whom the Senator would like to give the food over there, those who are holding out against communism, will not receive the food. We cannot reach them. I was in Russian-occupied territory. I went to the city of Wiener Neustadt, 50 miles inside the Russian-occupied territory, and I saw the conditions which prevailed there. I tell the Senate that in the distribution by UNRRA those who opposed communism were being discriminated against in the matter of food that was being distributed. I saw the discrimination with my own eyes.

Mr. President, I am a member of the Appropriations Committee, and I supported the committee in its action. I have a great deal of sympathy for the remarks made by the distinguished Senator from Florida [Mr. PEPPER], who in his heart wants to help the children. So do I. I also wish to endorse what the Senator from Oregon [Mr. MORSE] said. With all the power at my command, I endorse the statement made by the chairman of the committee, who said that if we can be assured that the people we desire to help will receive the food, we would provide it. If I were certain of it, I would vote for any appropriation the Senate might want to make.

Mr. HATCH. Mr. President, I had not intended to yield. I wanted to get through with what I had to say as quickly as possible. The hour is late. I merely wanted to call the attention of the Senate to the fact that a grave and serious mistake may be made right here and now. I will say when the word penetrates into Poland, into Czechoslovakia, and the other countries behind the iron curtain that these funds have been cut off, it may result in the making of Communists out of 85 to 90 percent of those who are this day fighting against communism as best they can, and who in the future hold the hope to overthrow the communistic governments under which they live.

Mr. BRIDGES. I may say to the Senator from New Mexico, whom I know is very sincere in what he says, that a great deal of the information which came to us formed the basis upon which we took action. The information which came to us from Czechoslovakia, from Poland, from Yugoslavia, and from other nations was that the children of those who are not in the Communist clique running the government right down to a village level, although hungry and in squalor and in desperate circumstances, did not receive the food that was sent to nourish them, while the little children of the Communists and their followers received it. That was one of the reasons why we took the action we did. I do not now know how we can help relieve that situation. The Senator was fair when he said we might or might not be making a mistake by the action we now propose to take.

Mr. HATCH. I know the Senator from New Hampshire does not want to

make a mistake, and certainly if the money is going to the Communist children, whereas the children of non-Communists would be discriminated against, none of us would want to do anything that would result in such discrimination. But I am not at all sure that that is what is happening. I am not a member of the committee. I have not had the advantage of the information the committee has had. But with what little knowledge I possess of the conditions I feel that a grave mistake is being made. While there will be no yea-and-nay vote on the amendment, I personally now register my protest and disapproval of the Senate amendment, and express the hope that the House figure will remain in the bill.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. SMITH. Did the Senator from New Hampshire receive any evidence on the situation in Finland? I am very much concerned with Finland, because the information I have received is that the Finnish children need this help desperately. The people of Finland have been 100 percent loyal to the things we believe in. I want to be very careful that we do not overlook some of the people who are trying to make this fight, by cutting this aid too fast and too low. I have not received the latest information on the subject, but I want to raise the question with the Senator from New Hampshire with respect to Finland, so that when the conferees meet they will look into that question, so that we may not make the mistake which the Senator from New Mexico has spoken of, and which he fears might be made.

Mr. BRIDGES. Let me say to the Senator from New Jersey that even with the cut which the committee made, assuming it will stand, that with the money the fund is carrying over the organization will have more money to spend next year than it spent this year.

Mr. SMITH. I was told recently by a representative of the fund that they have just \$4,000,000 now in the bank; that that is all they have to use.

Mr. BRIDGES. If that is what the Senator has been told, it is different from what the committee has been told. If the information to you is true, then testimony presented to us was false.

Mr. SMITH. I have attempted to get the accurate figures, but I have not been able to do so.

Mr. BRIDGES. If they falsified the records to us, then, so far as I am concerned, they will never get another cent until such time as we learn the true situation. They seem to have said to the Senator, on the one hand, that they have but \$4,000,000 left, but they certified to us they have over \$12,000,000. If there is such a discrepancy, then someone is committing a very grave breach of truth. I believe in dealing with people who tell the truth. If they cannot tell the truth to us, of course, we cannot have any faith in them.

Mr. President, let us clearly understand the issue. We have dished out \$23,000,000,000 for foreign aid since the war ended. We have shown ourselves to

be the most generous Nation on the face of the globe. We have given aid to people all over the world. We have helped hundreds of millions of people, and tens of millions of children have been fed by reason of the appropriations we have made to aid people in foreign countries. We did not cut out the children's fund altogether. We are willing to continue it. But we cannot control the United Nations. If the committee could be sure that the children of those who have freedom in their hearts, children who are hungry and cold and who live in poverty and squalor were not going to be denied, but would receive the same aid that is given to the children of Communist parents, then we would have taken a different attitude. But as it was we left the children's fund sufficient money so that next year they will have more money to spend than they did this year.

(Cries of "Vote!" "Vote!")

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. MORSE. Mr. President—

The PRESIDING OFFICER. All in favor will say "Aye."

Mr. MORSE. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. MORSE. The Senator has been very helpful to me in presenting facts on this matter of which I was not aware when the debate started, and I think I have two more questions to which I am going to seek to obtain an answer from the Senator and I know he will cooperate with me in giving the answers. Am I correct in my understanding that this is the only part of the bill that involves the appropriation to any United Nations organization?

Mr. BRIDGES. No; more than \$70,000,000 is provided for the International Refugee Organization, which we left as budgeted, which was the exact amount requested.

Mr. MORSE. There are two appropriations then in the bill to divisions of the United Nations.

Mr. BRIDGES. Yes.

Mr. MORSE. And this one affecting the children involves a cut from \$600,000,000 to \$20,000,000. Now I should like to ask the Senator from New Jersey if it is not true that when we appropriate the \$20,000,000 and assume that the \$20,000,000 stands in conference the same proportion of the \$20,000,000 will go supposedly to children behind the "iron curtain" that would go to them if we appropriate the \$60,000,000. We are in no way changing the fact that we are aiding children behind the "iron curtain" who may be of Communist heritage except we are not giving so much money of the total program?

Mr. BRIDGES. That is correct. I might say that the moral effect might be that the United Nations group administering the fund might tighten their regulations so that they can have stricter control and see that the true objective is reached.

Mr. MORSE. I think I have made clear to the Senator from New Hampshire that I share his views that I am

not in favor of building up communism in the world, but does the Senator think that there is any danger that the proposed action on this particular item may result in the reaction throughout the world that when it comes to giving support to the United Nations this is another evidence of our retreating from cooperating with the United Nations rather than giving this particular division of the United Nations support?

Mr. BRIDGES. I will say to the Senator that this last year we gave so much that they could not match it. It looks as though they may not be able to match the appropriation this year.

Mr. MORSE. I am greatly impressed by the fact that apparently they are going to have more money under this appropriation this year than they had last year.

Mr. BRIDGES. Slightly more.

Mr. MORSE. I am very much concerned about the propaganda abroad in the world that we talk about supporting the United Nations only when it is favorable to us to support the United Nations, but that when we are called upon to give aid which may be of special benefit to some other nation, and not necessarily to us, then we find a spirit of noncooperation with the United Nations creeping into American policy. I am inclined to share at least a part of the view of the Senator from New Mexico, that this cut might result in further propaganda. I admit that we are going to be faced with Russian propaganda anyway, but the result may be further Russian propaganda that this is another evidence that we are not giving actual support, but only lip service to the United Nations.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. HATCH. As I understand, the reduction will apply just the same among the free nations as it does among the nations behind the Iron Curtain, so all the children will be affected. Is this sum sufficient to carry out the matching program, or are we reducing aid to all the nations, whether they are behind the Iron Curtain or not?

Mr. BRIDGES. I think the Senator from New Mexico overlooks one fact—

Mr. HATCH. I am merely trying to get the facts. I am not familiar with them.

Mr. BRIDGES. In this appropriation we are giving more than \$5,000,000,000 for economic relief.

Mr. HATCH. Let me interrupt to say that I realize full well that that relief is of decided advantage and benefit so far as helping children is concerned.

Mr. BRIDGES. The people of the free countries who receive direct relief will probably—

Mr. HATCH. They will probably not need so much.

Mr. BRIDGES. They will be taken care of to a large degree, so the cuts will come in the countries behind the iron curtain, because we are supplementing our aid in such a generous way in other countries.

Mr. President, it seems to me that it was a reasonable attitude for us to take.

Mr. HATCH. I am still concerned that a mistake is being made, but I want to be very straightforward and say that I certainly understand that the committee intends no mistake. However, in connection with these complicated matters it is very easy to make a mistake. If we are to make a mistake, I would rather make it anywhere else than in connection with aid to children.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. PEPPER. In fairness, and so that the RECORD may contain the statement which the committee had before it, Mr. Maurice Pate, Executive Director of the International Children's Organization, on page 144 of the hearings, in response to an inquiry by the chairman, testified as follows:

Mr. PATE. In each country we have set up a small mission of international staff, that is, of citizens of countries other than the country in which they operate, and these missions run anywhere from one in the case of a very small country like Albania to half a dozen in a larger country like Poland.

The mission is in constant contact with the government or with local agencies handling the distribution of food. In each country the staff moves about observing the distribution, seeing that the general policies of the fund are carried out.

I thank the chairman of the committee for allowing me to place that statement in the RECORD.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. I should like to say to the Senator from Florida that I was one member of the committee who had some misgivings, along with others, about cutting the funds. On the other hand, I wish to say to the able chairman of the committee that I sat through the hearings and listened to Mr. Pate. The testimony before us showed that a number of heads of missions in countries behind the iron curtain were citizens of other countries behind the iron curtain. During the hearings I raised the point as to why, for example, a Swiss citizen rather than a citizen of Yugoslavia was not used as head of a mission.

Rather than Yugoslavia using a Pole as the head of a mission, I raised the question as to why they did not use Swiss, Swedes, or someone else, so that we could feel sure that there was not the type of discrimination to which reference has been made. I believe that if the United Nations itself will try to solve that problem, it will find the Congress in a more generous mood.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. CAPEHART. I rise to pay tribute to the American people and the American taxpayers for their generosity and their charity, and for the help which they have given to the peoples of the world since the war ended, and before. We have been the most generous people in the history of the world. I am sure that the Congress of the United States, and particularly Members of the Senate, will join me in paying great tribute to the American taxpayers for their generosity

and their charity, because they have been generous and they have been charitable. They have paid the bills which the Congress has incurred through appropriations since the war ended, and during the war, and they have accepted the burden with a smile. I, for one, want to pay great tribute to the taxpayers of America. I pay tribute to their generosity and their charity. I know of no equal in the history of the world. No other peoples have been so generous. It would be appropriate for the Senate of the United States to stand for at least half a minute in silent tribute to the generosity of the American people.

Mr. TAYLOR. Mr. President, I made it known earlier in the evening that I wanted to speak on the bill. I would have preferred to speak before the vote was taken on the second amendment, shortening the time; but it was said that it was desired to get the vote over so that some of the older Members could go home, because they were tired. Therefore I take it that all Senators left in the Chamber are young, hale, and hearty. However, I do not intend to abuse the privilege of the floor. I had estimated, and so stated, that I might speak for half an hour; but I shall cut that time in two, and hope to get through sooner than that.

Mr. President, I voted against the so-called Marshall plan when it was before the Senate, because I felt that it bypassed the United Nations. If I had it to do over again—and I do have in another form tonight—I would still vote against it. I intend to vote against the bill. I am opposed to the plan. I think it is becoming apparent—to me, at any rate—that this is the most colossal hoax ever perpetrated upon any people, including the American taxpayers.

The Senator from Indiana [Mr. CAPEHART] just paid tribute to the generosity of the American people. I think they are being sadly imposed upon in this so-called European Economic Cooperation Administration scheme.

Recently I purchased a copy of the New York Times. I bought it in North Carolina, so it was an early edition. I saw an article in it which astounded me. When I returned to my office I told my staff about it and they could not believe that what I told them was true. I said, "Get the New York Times and read it for yourselves." We get a copy in the office. They got the New York Times for that particular day, and looked all through it; and they said, "There is nothing like you say in the New York Times."

So I looked at it and, lo and behold, the article was not there.

So I went home and got my copy of the New York Times, and brought it down to the office and spread that page of my copy down beside the corresponding page of the office copy of the New York Times. I found that the two pages were identical, with the exception of the one article which I had quoted. That article had been left out of the other edition of the Times, and another one had been substituted.

Since then I have come to have a better understanding of why such a

thing could happen, since I have learned that \$10,000,000 of the money to be appropriated here is to go to the New York Times, the New York Herald Tribune, and to the magazines Time, Life, News Week, and Reader's Digest, I believe, as their part of a reward for helping sell the Europeans, presumably, on the Marshall plan. But of course it is hard to separate the funds. When those publications get the money, they are anxious to sell the plan to anyone.

Of course, Mr. President, the American people, including the Members of the Senate, were told that the European Recovery Program was necessary because people were starving, or that it was necessary because people in Europe were in imminent danger of starving. I read an interesting item in the Wall Street publication Financial Aid. I do not know whether they were boasting about how clever the advocates of the Marshall plan were, or what their object was in printing this statement: but the article said that the State Department sent out two different groups of speakers—with many teams to each group, of course; but one group of speakers went to women's clubs and church organizations, and told them, "The Marshall plan is to feed hungry people, especially starving babies; and you good religious people, you women, certainly will support the Marshall plan, won't you?"

And of course those people said, "Yes."

Another group of speakers was sent out by the State Department to businessmen's organizations, such as chambers of commerce, manufacturers' associations, and what not. They told those businessmen, "Don't let anybody kid you at all. This Marshall plan is going to get business for American business and American products." They were that cynical in selling the Marshall plan.

Anyway, I heard those arguments.

I should have liked to vote for the Marshall plan in the first instance, if it had been channeled through the United Nations, because I want to see the United Nations work; I believe it should be strengthened; I think it is our one best hope. I was elected on the basis of supporting the United Nations, and I intend to keep that pledge.

Now I shall read the headline of an article which appeared in the New York Times; it will be sufficient to read the headline, and then I shall describe "on the cuff" the material following the headline:

Europe feels pang—

Mr. President, a pang is a pain; it is bad; it is not good—

Europe feels pang of—

Mr. President, what do you imagine the pang is that Europe feels? After all the sad tales we have been told about the necessity of the Marshall plan, surely the pang Europe feels must be a pang of hunger or of starvation, of perhaps it is pestilence as a result of starvation.

No; it is none of those things. The headline says:

Europe feels pang of overproducing.

Is not that a terrible pang for our friends in Europe to suffer? We must

hurry up with the Marshall plan, so as to alleviate that situation and ease that pain, that pang that is afflicting our brethren across the ocean.

The article following the headline states that in Holland food is being destroyed; that in many parts of Europe production is being curtailed because in many lines they have produced more than they can sell.

To substantiate that, I shall quote from the United States News and World Report for May 14. This is a publication aimed at businessmen. In speaking about Europe, it says:

Surpluses are beginning to show here and there.

Mr. President, the reference is to Europe, of course.

Surpluses are beginning to show here and there. Dutch vegetables, Italian fruits, German textiles, are examples. These things are spoiling or sitting in warehouses. It is not that they are not needed by neighboring countries. At the bottom, it is money trouble that is blocking trade.

Imagine, Mr. President! Food spoiling in warehouses in Holland; Italian fruit spoiling—fruit that is needed by everyone to maintain health, and that is needed especially by children. Of course, I imagine that in Italy they raise a good many oranges. But that fruit is spoiling because people do not have little pieces of paper with certain figures and pictures on it, possibly. Italy, with the lowest standard of living in Europe, is destroying food; and even in Germany, textiles are piling up in the warehouses, unused.

Mr. President, in view of this information, I can come to no other conclusion than that the Marshall plan is a hoax. I can see reasons for it, other than feeding hungry people. It is evident that is not the reason. If all the people of Europe lack is money with which to buy their own products, it strikes me as rather foolish that we should have to send them money with which to buy their own products. The New York Times and the United States News and World Report say their products are spoiling.

Here is something that may give us a clue as to what the Marshall plan is really for. I read from the New York Times of May 14:

Pressure is urged on Latin-America. Banker wants ECA—

That is the Economic Cooperation Administration—

buy plan used to end Argentine trade bars and spur Brazil payments.

In other words, you bribe them with Marshall plan funds to lower their trade bars so our monopolists can grow richer; and in Brazil they have already bought stuff they cannot pay for, so we give them some Marshall plan money to pay our monopolists for stuff they have sold on credit and cannot collect for.

Mr. President, it seems to me that in the case of Marshall-plan funds, so far as I can find out, the object is to enable our cartelists and our monopolists to gain control of the economic life of foreign nations with these bribes to corrupt politicians, enabling our business-

men to infiltrate and get control of foreign business.

Of course, we are sending billions of dollars' worth of our products abroad. It may be only a coincidence that makes things here at home scarce and keeps prices high in this country. That may be only a coincidence, although the Marshall plan was conceived and perpetrated on the American people, it happens, at a time when we were just about to get over the hump of production, here at home, and be able to buy an automobile or a Frigidaire, or whatever we might happen to want, at a respectable price. But along came the Marshall plan and a big armament program to keep things scarce again.

So we have the Marshall plan going through the Senate at a very late hour at night, when one is hesitant to discuss it at any length. There are a great many things I should like to say about it.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAYLOR. I am happy to yield to my good friend from North Dakota.

Mr. LANGER. I wonder if the Senator saw the article in the Times-Herald a few days ago, saying that the New York Times was getting nearly a million dollars out of the amendment on page 5, line 2.

Mr. TAYLOR. I read that article, not in the Herald Tribune. I read it some place, though, about the bonus being paid to the newspapers and magazines.

Mr. LANGER. The Times-Herald was getting \$850,000, according to that article; is not that correct?

Mr. TAYLOR. The Times-Herald in Washington?

Mr. LANGER. No. I mean the Herald Tribune of New York.

Mr. TAYLOR. Oh, yes, yes.

Mr. LANGER. And Fortune magazine, and Life?

Mr. TAYLOR. Time.

Mr. LANGER. And Time?

Mr. TAYLOR. And the New York Times.

Mr. LANGER. I mean Time magazine.

Mr. TAYLOR. Yes; Time magazine and the newspaper, the New York Times.

Mr. LANGER. Does the Senator remember whether in that list any single newspaper opposed to the Marshall plan received one single dollar?

Mr. TAYLOR. No, no; no newspaper opposed to the Marshall plan got anything. In fact, the Chicago Tribune, which was opposed to the Marshall plan, was very much upset over the whole thing.

Mr. LANGER. Is it not a fact also that the various magazines I have mentioned time and time again have carried beautiful photographs of some of the leading Members of this distinguished body?

Mr. TAYLOR. Oh, anybody who has been for the Marshall plan could get plenty of space in those publications.

Mr. LANGER. I understand some of that money is going to the movie magnates.

Mr. TAYLOR. Yes; I guess they need the movies to help them sell the plan. They need every means of propaganda to sell a scheme like this. There is no doubt about it at all.

Mr. LANGER. Under the amendment they have reduced it from \$15,000,000 to \$10,000,000, I understand.

Mr. TAYLOR. That is to make the people feel good and think how much they have saved.

Mr. LANGER. I take it that is covered by line 2 of the amendment on page 5, which says, "That guaranties of investments in enterprises producing or distributing informational media provided under section 111 (b) (3) of the Economic Cooperation Act of 1948 shall not exceed \$10,000,000 in the first year."

Mr. TAYLOR. That is a very clever technique. First, they are to be given \$15,000,000; then, when it is cut down to \$10,000,000, the people are duly grateful and very happy that it only costs them \$10,000,000 to learn all about the Marshall plan. Of course, Mr. President, it is difficult for the people to find out about these things because of this subsidy to the press, which has pulled the wool over the eyes of the American people. So we have the sorry prospect of using the taxpayers' money also to guarantee the profits of American industry.

Here is another little item from the United States News and World Report, "How to Earn Dollars Abroad," is the title of it. It says, "Guarantees of payment in U. S. currency." This is from the United States News and World Report of May 14 again. The heading on the article says, "Money invested in Europe by private investors is to get some Government protection. Profits, if any, will be paid in dollars."

There is the answer to the Marshall plan. Our businessmen are muscling in on the folks over in Europe, taking over; but they cannot get their profits out. Marks, lire, and francs are no good to them, so they figure out a Marshall plan, and now the taxpayers are going to be taxed to guarantee the profits in dollars to our businessmen over there in those countries. The article goes on to say, "The idea is to lessen the risk of doing business abroad and encourage new enterprises." Listen to this next line: "European recovery, too, will be helped." That is the whole thing they worry about—"European recovery, too, will be helped." That is wonderful. Hallelujah?

Mr. President, I could go on and talk all night about this thing and never say the same thing twice.

Mr. LANGER. Mr. President, will the Senator yield at that point?

Mr. TAYLOR. I am happy to yield to the Senator from North Dakota.

Mr. LANGER. As I understand the bill, then, we are appropriating \$20,000,000 to feed all the hungry children in this world; then we are appropriating half as much for the New York Times, the New York Herald, Fortune magazine, Newsweek, and Time magazine.

Mr. TAYLOR. Time and Life.

Mr. LANGER. And Life, and a few movie institutions.

Mr. TAYLOR. Yes.

Mr. LANGER. Is that right?

Mr. TAYLOR. Well, of course, they got The Iron Curtain out of that money given to the movies, and they will get more. I do not believe the people who are foisting these measures on the American people are generally worried about the Communist threat; they are just stirring it up all the time so they can get away with these great appropriations for armament profits, for the Marshall plan to guarantee their profits abroad, and to pay the newspapers and magazines for selling the people on the idea.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, line 17.

Mr. LANGER. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are asked for.

The yeas and nays were not ordered.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator insist upon a quorum call?

Mr. LANGER. I do.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Millikin
Baldwin	Hatch	Moore
Ball	Hawkes	Morse
Barkley	Hayden	Murray
Brewster	Hickenlooper	O'Connor
Bricker	Hill	O'Daniel
Bridges	Hoey	O'Mahoney
Brooks	Holland	Pepper
Butler	Ives	Revercomb
Byrd	Jenner	Robertson, Va.
Cain	Johnson, Colo.	Russell
Capehart	Johnston, S. C.	Saltonstall
Capper	Kem	Smith
Chavez	Kilgore	Sparkman
Connally	Knowland	Stennis
Cooper	Langer	Stewart
Cordon	Lodge	Taft
Donnell	Lucas	Taylor
Dworshak	McCarthy	Thomas, Okla.
Eastland	McClellan	Thye
Eaton	McFarland	Tydings
Ellender	McKellar	Umstead
Feazel	McMahon	Vandenberg
Ferguson	Magnuson	Watkins
Flanders	Malone	Wherry
Fulbright	Martin	Wiley
Green	Maybank	Young

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the committee amendment on page 5, line 17. [Putting the question.] The yeas seem to have it.

Mr. McFARLAND. I ask for a division.

On a division, the amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, under the heading "Assistance to Greece and Turkey," on page 5, line 24, after the numerals "1949", to strike out "\$200,000,000" and insert "\$250,000,000."

The amendment was agreed to.

The next amendment was, under the heading "Assistance to China," on page

6, line 21, after the word "until", to strike out "June 30, 1949" and insert "April 2, 1949"; in line 25, after the word "aircraft", to insert "deposits in the Treasury for penalty mail (39 U. S. C. 321 (d));"; on page 7, line 7, after the word "exchange", to strike out "\$400,000,000, of which not to exceed \$1,200,000 shall be available for administrative expenses" and insert "\$460,000,000, of which \$125,000,000 shall be available exclusively as provided in subsection 404 (b) of said act."

The amendment was agreed to.

The next amendment was, on page 7, line 11, after the word "Act", to strike out the colon and the following proviso:

Provided, That expenditures hereunder shall be made and administered in such manner as to be consistent with the general objectives and the limitations provided in the Act for Assistance to Greece and Turkey (Public Law 75, 80th Cong.), as amended and supplemented by the Greek-Turkish Assistance Act of 1948 (Public Law 472, 80th Cong.).

The amendment was agreed to.

The next amendment was, under the heading "National Military Establishment—Department of the Army—Civil Functions—Government and Relief in Occupied Areas," on page 8, line 21, after the word "Army", to strike out "such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease, or unrest, prejudicial to the objectives sought to be accomplished; \$1,250,000,000" and insert "such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$1,325,000,000."

The amendment was agreed to.

The next amendment was, on page 9, line 21, after the word "Congress", to insert the following additional proviso:

Provided further, That expenditures may be made hereunder for the purposes of economic rehabilitation in Japan, Korea, and the Ryukyus in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948.

The amendment was agreed to.

The next amendment was, on page 10, line 1, after the numerals "1948", to insert a colon and the following additional proviso:

Provided further, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes.

The amendment was agreed to.

The next amendment was, on page 10, line 18, after the word "purposes", to insert the following additional proviso:

Provided further, That such agreement shall, where applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.).

The amendment was agreed to.

The next amendment was, on page 10, line 23, after the word "Congress", to insert the following additional proviso:

Provided further, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as prescribed by the Secretary of the Army, to pay ocean transportation charges from United States ports, including Territorial ports, to ports in Japan, Korea, and the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such countries.

The amendment was agreed to.

The next amendment was, on page 11, line 7, after the word "countries", to insert the following proviso:

Provided further, That under the rules and regulations to be prescribed, the Secretary of the Army shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan, Korea, or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation.

The amendment was agreed to.

The next amendment was, on page 11, line 14, after the word "transportation", to insert the following additional proviso:

Provided further, That service during the fiscal year 1949 of an individual rendered to the Department of the Army under this appropriation as an expert, consultant, or technician shall not be considered as service or employment bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203), of section 190 of the Revised Statutes (U. S. C., title 5, sec. 99), or of section 19 (e) of the Contract Settlement Act of 1944, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

The amendment was agreed to.

The next amendment was, under the heading "Department of State—International activities," on page 12, line 19, after the word "contribution", to strike out the colon and the following proviso:

Provided, That none of the funds appropriated herein shall be available for contribution to the International Refugee Organization until such time as there are effected agreements providing for a caloric diet for the occupants of refugee camps that is no higher than that prevailing in the country in which such camps are located.

The amendment was agreed to.

The next amendment was, under the heading "Title II—General provisions,"

on page 13, line 10, after the word "violence", to strike out the comma and "or who is a member of any labor organization the officers of which have not complied with the requirements of subsection (h) of section 9 of the National Labor Relations Act as amended by the Labor Management Relations Act, 1947," and in line 24, after the word "violence", to strike out the comma and "or that such person is not a member of any labor organization the officers of which have not complied with the requirements of subsection (h) of section 9 of the National Labor Relations Act as amended by the Labor Management Relations Act, 1947."

The amendment was agreed to.

The next amendment was, on page 14, after line 16, to strike out:

SEC. 202. No funds made available under the authority of this act shall be used for the purchase of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to act of July 1, 1941 (55 Stat. 498), as amended), at prices higher than the market price prevailing in the United States at the time of the purchase: *Provided*, That no funds available under this act shall be used for the purchase of wool other than from existing stocks owned by the Commodity Credit Corporation, unless or until such stocks are exhausted.

And in lieu thereof to insert:

SEC. 202. None of the funds available under this act shall be used for the purchase of wool other than from existing stocks owned by the Commodity Credit Corporation, unless or until such stocks are exhausted.

The amendment was agreed to.

The next amendment was, on page 15, after line 6, to strike out section 203, as follows:

SEC. 203. Not more than \$50,000,000 of the funds herein appropriated shall be used for the purchase of farm machinery, including farm tractors.

And in lieu thereof to insert a new section 203, as follows:

SEC. 203. No part of of the funds herein appropriated shall be used to purchase farm machinery in the United States in an amount which will bring the total purchases of such machinery during fiscal year 1949, in the United States, by or for the benefit of the countries participating in the European recovery program, to more than \$75,000,000.

The amendment was agreed to.

The next amendment was, on page 15, after line 15, to strike out section 204, as follows:

SEC. 204. Whenever an export license for a commodity, the production or shipment of which to a nonparticipating country was contracted for in good faith prior to March 1, 1948, is denied and cannot be obtained under section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, the Administrator shall provide for the procurement of such commodity to transfer to a participating country in accordance with the requirements of such country, at not less than the contract price of such commodity to the producer or exporter, as the case may be, including any cost incurred in converting the commodity to meet the requirements of the participating country.

The amendment was agreed to.

The next amendment was, on page 16, after line 2, to strike out section 205, as follows:

SEC. 205. Not less than 50 percent of all nitrates or nitrogenous fertilizer material,

including anhydrous ammonia, obtained for participating countries by the Economic Cooperation Administration under the Economic Cooperation Act of 1948 with funds provided herein shall come from production of the Department of the Army and the Department of the Army is hereby authorized to produce and sell such nitrogenous fertilizer materials, including anhydrous ammonia, to fill such 50 percent of such export requirements.

The amendment was agreed to.

The next amendment was, on page 16, after line 12, to insert:

SEC. 204. Not less than 50 percent of the United States export requirements of nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) for nonoccupied areas shall come from production of plants operated by or for the Department of the Army. The Department of the Army is hereby authorized to produce and sell, in addition to its production for occupied areas, such nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) required for United States exports to nonoccupied areas and to credit the proceeds of such export sales to miscellaneous receipts of the Treasury.

The amendment was agreed to.

The next amendment was, on page 16, line 24, to change the section number from "206" to "205."

The amendment was agreed to.

Mr. FULBRIGHT. Mr. President, there is an article in yesterday morning's newspaper which expresses very well the thought which I have before expressed, particularly regarding the authorization of this legislation. I want to read one paragraph of the article in the nature of a summary of what I think is the truth about the program. This is an article by Mr. Walter Lippmann. I read:

The failure of the European governments and of the State Department to promote the political unity of Europe and to uphold the authority of the United Nations has sapped the only foundation on which sustained American support of the recovery program could rest. No doubt it required high statesmanship to put the program on a constructive foundation. It was much easier to put it across as a measure of the cold war, to depend on the fear of communism rather than on faith in a new democratic order.

I realize that it is rather late in the discussion of this question again to refer to the subject, but I merely want to reiterate my belief that this program has been and is continuing to be restricted too closely to the economic aspect, and that the political aspect, particularly the political unity of Europe, has been neglected. I doubt very seriously, unless something is done along that line, that it will be successful.

I ask unanimous consent to insert the entire article in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICAN EXPECTATIONS

(By Walter Lippmann)

"Until then I beg of you," said Senator VANDENBERG, "that you give ECA a fair chance." Until when? Until "next January when we shall know whereof we speak. When the second annual appropriation impends, we shall know what kind of job Administrator Hoffman and his staff are doing. We shall know to what extent self-help and

mutual cooperation are meeting our expectations."

Though these words were part of Senator VANDENBERG's appeal to Congress to honor a solemn commitment, they carry with them an urgent warning to the leading governments of Europe and also to the President and the Department of State. It is a warning that the continuation of ECA is not assured by the original authorization, nor will it be if the Martin-Taber raid is repulsed. It is notice that "a general overhaul," as Mr. VANDENBERG put it—that is to say a general reconsideration of the basic policy—will be undertaken by the next Administration and the next Congress. It will be undertaken not merely by the enemies of ECA but by its strongest supporters,—who will then "know to what extent self-help and mutual cooperation are meeting our expectations."

No doubt 6 months—for that is what it comes to—will seem like an exceedingly short time in which to prove that ECA should be continued. But if the European governments, and particularly the British and French, make a serious effort to understand the real attitude of this country, they will know what kind of action on their part will in fact meet American "expectation."

They will find, I believe, that the key to the mystery is that while the European recovery program has been "justified" by a torrent of statistics, in fact this extraordinary enterprise, unique in the history of the world, will have to be justified by intangible, uneconomic, political and moral results. The American people hope, of course, that production will rise, that trade will increase, that inflation will be mastered, and that the balance of payments will be righted. But what they are really looking for are signs which they can take seriously that a new Europe is in the making.

It is because signs of that kind are lacking that even the first appropriation for ECA is in danger. For the Martin-Taber attack reflected not so much the strength of the opposition to the recovery program as it did the lack of strong conviction on the part of its supporters. They were absent from the House in large numbers, and those who were present did not fight very effectively. Why? Because, so it seems to me, the governments in Europe and the State Department here have deflated the hopes of the people. In the past few months they have seen "western union" degenerate into little more than an impotent military alliance. They have seen the United Nations maltreated. They have seen the Labor government cold shoulder the movement for European union. They have seen their own government invite the Russians to talk, and then unable to think of anything to say.

As a result, if they have not become isolationists, they are certainly disillusioned at the prospect of huge subsidies, huge armaments, and the draft, all at the expense of housing, health, education, and internal development, with no progress toward a new and better international order.

The failure of the European governments and of the State Department to promote the political unity of Europe and to uphold the authority of the United Nations has sapped the only foundation on which sustained American support of the recovery program could rest. No doubt it required high statesmanship to put the program on a constructive foundation. It was much easier to put it across as a measure of the cold war, to depend on the fear of communism rather than on faith in a new democratic order.

But fear will not sustain a continuing effect. It will work for a few emergencies but not for 4 years. It is good for a sprint but not for a long run. The Russians, once they are bright enough to realize that we are depending on their provocations to generate the steam to carry on, have only to stop being quite so irritating in order to reduce the pressure. Then, no longer frightened but without a sustaining faith in place of their

fears, the people's interest languishes. It is languishing now. That is where MARTIN and TABER saw their opportunity.

These are the imponderables, I think which man like Attlee, Cripps, and Bevin, Schumann, Rene Mayer, and Bidault will do well to take very seriously if—6 months hence when the ECA must undergo a more crucial test than the MARTIN-TABER affair—they intend to meet what Senator VANDENBERG called American "expectations" about the extent of self-help and mutual cooperation in Europe.

It will not be good enough for them to complain about the uncertainty of American public opinion. If they are fair about it, and also wise, they will recognize that what the American public is being asked to do is something which no people has ever before been asked to do, and that, therefore, this altogether unprecedented enterprise can be sustained only if they contribute to it not merely sweat and austerity but also audacity and faith.

Mr. WHERRY. Mr. President, have all the amendments been acted on?

The PRESIDING OFFICER. All but one. The clerk will state the last amendment.

The next amendment was, on page 17, line 3, to change the section number from "207" to "206."

The amendment was agreed to.

The PRESIDING OFFICER. The bill is now open to further amendment.

The Chair agreed to recognize the Senator from Missouri [Mr. KEM].

Mr. KEM. Mr. President, I had intended to discuss this bill at considerable length. For rather obvious reasons I shall not do so. I do want to say, however, that I believe this scheme to effectuate European recovery by the appropriation of this very large sum of money may undermine the American economy and may well make our Nation as vulnerable to communism as are those we are seeking to aid.

Such a plan entails the risk of an unparalleled price debacle at home. Already the American housewife is beginning to feel the inflationary effects of the artificial foreign demand created by our gifts of dollars. Only a few days ago we read headlines telling of record high meat prices. A Missourian recently sent me a telegram complaining of the rising cotton prices, particularly as they affected the cost of his cotton shirts. I went to the Department of Agriculture and was informed there that the upsurge in the cotton market is due in no small part to the placing of orders by foreign purchasing agents to be filled when the \$511,000,000 in the Marshall plan funds for the purchase of cotton is forthcoming for the use of their respective foreign governments.

Every ton of steel and every barrel of oil we send abroad without the benefit that comes from ordinary foreign trade weakens by that much our own national economy. The United States simply does not have an inexhaustible supply of resources. Although this vast dumping operation may serve to prolong the Truman artificial prosperity, anyone who supports this plan upon that theory, or for such a reason is living in a fool's paradise.

In my judgment, the plan we are about to implement by this gigantic appropri-

tion poses a grave threat to our traditional capitalist economy. Heavy tax rates necessitated in no small part by heavy spending abroad, combined with the rise in consumer price levels, have drastically reduced the savings of our middle-income group available for capital accumulation. There is real danger that there will not be sufficient accumulated savings and invested capital to supply the needs for machinery and tools in our industry of the future.

Mr. President, I stated before my belief that the welfare of the people of the United States, and not the people in foreign lands across the seas, should be the first concern of the American Congress.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. Am I correct in understanding the Senator's trend of thinking in this matter to be that if these large appropriations are used for the purchase of goods in this country, the effect is further inflation?

Mr. KEM. I do not see how it could be otherwise. We are already seeing the effects, and the process has just begun, in my humble opinion.

Mr. MALONE. Am I to understand further, then, that the making of these huge loans and the consequent siphoning off of incomes and the increases in the wages of workers, which was done first, according to Mr. Roosevelt and others of the administration for the past 10 years, with the announced purpose of preventing inflation, prevents, in the Senator's opinion, the proper accumulation of venture capital for investment?

Mr. KEM. Precisely so. I think evidence of that is already available.

Mr. President, I should like to correct the Senator from Nevada in one respect. I prefer to refer to these remittances to foreign countries, not as loans, but as gifts or grants. I do not see how anyone who reviews our experience of the past 20 years in distributing our wealth around the world can regard these remittances otherwise than outright gifts and grants. I think we are living in a fool's paradise if we call them anything else.

Mr. LANGER. Does the Senator know how much of the money is going for tobacco?

Mr. KEM. I shall get to that in a very few minutes. It is a very surprisingly large amount.

Mr. HAWKES. Mr. President, will the Senator from Missouri yield?

Mr. KEM. I yield to the Senator from New Jersey.

Mr. HAWKES. Why does the Senator think that there is not an inexhaustible supply of funds in the United States so that we can continue this course forever?

Mr. KEM. I think the figures we have indicate the answer, and I believe there is already evidence of the supply of funds and goods being drained away.

Mr. HAWKES. Does not the Senator think we are acting in everything we are doing in connection with those great gifts, as though there were no bottom to the barrel?

Mr. KEM. Exactly so.

Mr. HAWKES. And does not the Senator realize that in every bit of this money we are giving, in excess of that which is necessary to keep people from starving, we are taking a chance of about 10 to 1 of making a contribution to communism, because when the barrel bottom is reached, so that we can no longer buy friendship, I say that if communism is going to spread in Europe, it will spread then, and the Communists will take over all the contributions we have made and all the gifts we have given.

Mr. KEM. I thank the Senator. I think that was very aptly said.

Mr. HAWKES. I thank the Senator from Missouri.

Mr. JENNER. Mr. President, will the Senator from Missouri yield?

Mr. KEM. I am glad to yield to the Senator from Indiana.

Mr. JENNER. Can the Senator tell me whether he knows when the European recovery program got the "new look?" It is now the "European Cooperation Administration."

Mr. KEM. I think it was originally known as the Truman plan. Then it became the Marshall plan. Then it became the European recovery plan, and I think it now has the "new look," to which the Senator from Indiana has referred, and I believe it is called the "Economic cooperation plan."

Mr. JENNER. Is it the Senator's understanding that Europe has already made sufficient recovery so that the program does not need to be called a recovery program?

Mr. KEM. I cannot advise the Senator why the frequent change in name.

Mr. JENNER. The Senator was here the other day when we passed the displaced persons bill, was he not?

Mr. KEM. Yes.

Mr. JENNER. When we passed the European recovery program, as I understood the proposal—and I believe the Senator from Michigan [Mr. VANDENBERG] made the address outlining it—he explained to me and the other Members of the Senate that the main purpose of the European recovery program was to help the European people get up off their knees so that we would not have to go on taking care of them forever. Is not that correct?

Mr. KEM. I believe it was something along that line.

Mr. JENNER. It was said that what they needed most was production, but under the displaced persons program, as I understand it, 200,000 are to be permitted to come into the United States, and of the 200,000, 50 percent are to be agricultural workers, and the remaining 50 percent are to be skilled mechanics and skilled technicians. So, following the theory that the idea was to have Europe get on its feet so that it could help itself, what business have we today permitting 200,000 of their skilled workmen to come to America? Why should we send them our money and our material wealth, and then bring over 200,000 skilled workmen from Europe, when they are needed there? Can the Senator explain that to me?

Mr. KEM. Perhaps some other Senator can explain it. I cannot.

Mr. JENNER. Can anyone explain it to me? In the absence of response, I will sit down. [Laughter.]

Mr. KEM. Mr. President, I appreciate the very pertinent suggestion the Senator from Indiana has made, and I thank him for it.

I pointed out on a previous occasion my belief that emotional interest exhibited in some quarters today in favor of distributing around the world the accumulated wealth of the people of this country, accumulated by many generations of thrifty and frugal-minded people, appears to be one of those strange emotional epidemics or moral manias which have excited the minds of men from time to time at many stages in the world's history. For example, there were the children's crusade of the Middle Ages, the South Sea bubble, the tulip craze, the witchcraft persecutions in Europe and America.

Mr. President, I shall be as brief as I can, and merely sketch the points I have in mind.

I wish to say that tonight we are confronted with the question of providing billions of dollars called for by a seemingly endless series of foreign adventures. Tonight we are confronted face to face with a proposition that 2 and 2 make 4 and always have.

Those who oppose the authorization of these plans are, of course, faced with a difficult decision. We can either vote to provide the funds asked for by the Administration and allow these experiments to run their course, a course which some of us believe to be perilous to the welfare and happiness of our people, or we can make an effort to salvage as much of the taxpayers' money as possible by cutting down as much as we can the pouring out of money of American taxpayers in these foreign schemes.

I must admit, Mr. President, that I gave serious consideration to offering no objection, either by word or vote, to allowing Mr. Truman and Mr. Marshall to carry out what may perhaps prove to be a last futile fling at global spending. However, I could not bring myself to evade the responsibility I feel to the people of my State, just as I could not bring myself to fail to raise my voice tonight. I cannot help but remember the solemn pledge I made to the people of my State in the last election to make every effort to reduce governmental expenditures wherever possible. Furthermore, I cannot shirk my duty to the American people to take every step I can, as futile as it may be, to protect and preserve our American institutions, which have given us the highest standard of living the world has ever seen.

Now we are told, Mr. President, there is nothing to justify a reduction in appropriations for foreign aid in 1948. Economic Cooperative Administrator Hoffman stated, according to the press, in his testimony before the Appropriations Committee that less money means less recovery. The Secretary of State characterized the action of the House in reducing these funds as changing the picture from a calculated risk of success to a calculated risk of failure.

I should say that there not only can but should be a sharp reduction for 1948, and here are some of the reasons. In the first place, Mr. President, the House of Representatives was guilty of no hasty and ill-considered action. In the second place, the House of Representatives is the traditional source of decision on matters of appropriations. I shall not, as I intended to do, sketch the history of that situation, but I should like to quote the word of a man whom I hope is still honored in America. A grand committee of the constitutional convention recommended that "all bills for raising or appropriating money shall originate in the first branch of the Legislature, and shall not be altered or amended by the second branch."

A member of that committee was Dr. Benjamin Franklin. He was asked what purpose was intended to be served by the restrictions on the first branch. He remarked that it was always of importance that the people should know who had disposed of their money and how it has been disposed of. "It was a maxim," said he, "that those who feel, can best judge."

So it would seem to me to be wise to give very careful consideration and attention to the recommendations of the branch of Congress which must answer to the people this year for what is being done in connection with this appropriation. Certainly it was the intention of the founding fathers that we should do so.

In the second place, foreign aid is no substitute for national defense. During the hearings held before the Foreign Relations Committee Secretary of the Army Royall said:

Without such effort—

That is, the passage of the pending bill—

the Army budget and the Army itself should be increased.

Mr. President, the Senator from North Dakota [Mr. LANGER] has asked me something about tobacco. I should like to review very briefly, so the people may know just what is being done in that connection in the appropriation bill. According to the latest estimates available \$138,000,000 of the Marshall plan funds would be utilized for the purchase of tobacco during the first 15 months of the program. I suppose under the Senate amendments that amount will apply to the first 12 months of the program. Is that correct, I will ask the Senator from New Hampshire?

Mr. LANGER. Let me say, Mr. President, I understand it is \$299,000,000. In other words, we give \$20,000,000 to feed all the children in the world, and 10 times as much for tobacco.

Mr. KEM. The figure I have received is \$138,000,000. My authority is the United States News.

Mr. LANGER. I have the figures; \$299,000,000—

Mr. KEM. For tobacco alone?

Mr. LANGER. That is the total for tobacco alone, of which we supply \$110,200,000.

Mr. KEM. I am frank to say, Mr. President, the situation is much worse than I had understood. In other words,

I understand that this enormous sum of money, more than \$200,000,000 of the American taxpayers' money, will be used to send gifts of tobacco abroad to countries whose people are said to be starving, and whose economic recovery is at stake. I ask the Senator from New Hampshire if that is correct.

Mr. BRIDGES. That is about correct respecting the amount of tobacco that is being sent abroad.

Mr. KEM. I should like to ask the Senator from New Hampshire if \$35,000,000 is the amount provided for coffee to be distributed free of charge among the participating nations.

Mr. BRIDGES. One hundred and eighteen million three hundred thousand dollars worth of coffee will move from the Western Hemisphere, of which amount we will pay \$26,100,000.

Mr. KEM. Our portion of the gift is \$26,000,000; is that correct?

Mr. BRIDGES. Yes, plus.

Mr. CAPEHART. Who pays for the difference between \$118,000,000 and \$26,000,000?

Mr. BRIDGES. Forty-four million eight hundred thousand dollars will be paid out of their own dollar earnings or from some other source. Sixteen million two hundred thousand dollars is paid out of loans and credits which they receive from some other sources. Twenty-six million one hundred thousand dollars is what we pay for.

Mr. CAPEHART. In other words, we loan them other moneys, but in reality do not we pay for it?

Mr. BRIDGES. I cannot tell the Senator where it comes from. It is listed in the justification as loans and credits from other sources.

Mr. KEM. When this plan was first suggested, representatives of the tobacco industry came to my office and suggested that they had a plan to send a large amount of tobacco abroad, and they suggested that, Missouri being a tobacco-producing State, I should be interested in the project. I inquired who was to pay for the tobacco. I was told that under the plan it would be paid for by the United States Government. I asked what was to be done with the tobacco, and was told it was to be given to the starving peoples of the world.

Mr. President, it seemed to me when that proposition was presented by the representatives of the tobacco interests that it was too preposterous even to be considered seriously by the Congress of the United States. Yet, Mr. President, that is exactly what is now about to be done.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. KEM. I am glad to yield.

Mr. LANGER. Does the Senator know how much Coca-Cola we are going to send abroad?

Mr. KEM. I do not have the figures on that. Perhaps the Senator from New Hampshire could give them.

Mr. BRIDGES. I will answer that question. We export about \$398,000 of sweetened sirups to participating countries, but it is not my understanding that that comes directly out of these funds. It is out of some other exchange or dollar credits.

Mr. KEM. But the American Treasury pays for it in the end, does it not?

Mr. BRIDGES. They have other dollar earnings which are used for that particular purpose.

Mr. KEM. I should like to ask the Senator from New Hampshire if there is not this difference between tobacco and coffee: When tobacco is given away, something comes back to the American producer; when coffee is given away, the proceeds go to South America, Java, or some other place in the world.

Mr. BRIDGES. The Senator is correct.

Mr. KEM. So it is a total loss to the American economy.

As I understand, the only reply which has come from the Administration with respect to these items is this: They say simply that the programs have been scaled down to rock bottom, and that we must not appropriate a penny less.

Mr. President, there is another reason, it seems to me, why we should pause and consider what we are doing, and that is that a large part of the funds we are about to grant will be granted to participating countries—that is, the 16 countries of western Europe—to meet obligations to the United States. Secretary of the Treasury Snyder, in his testimony before the House Appropriations Committee on May 25, stated:

In arriving at the estimates of aid requirements the National Advisory Council assumed that the countries participating would be required to use their present and future exchange income to meet their existing financial obligations falling due to the United States and third countries, including both obligations to governments and to private citizens.

What this means, as I understand, is that in the last analysis the American taxpayer is being asked to give money to France, Britain, and other participating countries in order that those countries may continue to pay interest to us, or perhaps installments on debts. In other words, we are making gifts of money to our debtor nations in order that they may pay us what they owe us. What I should like to ask is this: How in the name of common sense, if we start that kind of business, are we ever going to collect any debt anywhere in all the world?

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. HAWKES. What reason has the Senator for thinking that they are going to pay us anything—interest on our debts or anything else? I had not heard that they were going to do that.

Mr. KEM. I do not think they are. I will say to the Senator from New Jersey that the reason why I am so particularly concerned about this situation is that in my judgment we are creating a precedent that will make it impossible for our children and our children's children to carry on foreign trade with other nations of the world, because those nations will have acquired the idea that they do not have to pay America; that America will give them the money to settle the debt.

Mr. HAWKES. I am thoroughly in agreement with the Senator. I should

like to remark that I have never in my life seen anyone who was able to buy a friend and keep that friend after his funds were exhausted so that he could not continue buying the friend. I wish I could throw this off as lightly as do some other Senators. I do not believe that we can get out of this thing when we want to do so. When we start a program such as this, it is like taking on one's back a poor relative who is perfectly able to do things for himself ultimately, but who will not do them because he has found an easy place. The greatest contribution any man can make in Christianity is to teach people to take care of themselves, to endure hardships, and solve their own problems. So long as they find that we will solve their problems for them we shall be destroying the initiative which is the only hope for the redemption of the world.

Mr. KEM. I thank the Senator. As the Senator knows, one reason why I am so concerned about this situation is that it puts the Senate in the position of showing a disregard for the realistic approach undertaken by our brethren at the other end of the Capitol. Let me read a short excerpt from the House committee report on this appropriation bill. I ask my colleagues if this language does not indicate an effort to approach the matter in an intelligent, common-sense American way.

Mr. HAWKES. Mr. President, will the Senator yield for a moment?

Mr. KEM. I am glad to yield.

Mr. HAWKES. I have tried very hard to find out whether the American people—the ordinary man and woman—understand in the slightest degree that we now have on our backs a national debt of \$253,000,000,000, and whether they comprehend what that means. I find that there is a total disregard of it on the part of the American people. If I am wrong I should like to have some Senator correct me, but in my judgment there is a failure on the part of the American people to recognize the fact that the national debt is a mortgage on every industry, every business, every piece of property which every citizen of the United States owns, because of the right to tax and the power of taxation. Does not the Senator agree with me?

Mr. KEM. I agree absolutely. I was very much impressed by the statement in the address of the Senator from New Jersey in which he pointed out that the debt of the American people today is greater than the combined debt of all the nations to which we are giving away our property and our sustenance.

Mr. HAWKES. I thank the Senator.

Mr. KEM. This is the language of the House committee:

It would seem that the administration is not only disregarding the basic principles of sound business practices, but also is in a sense undermining the character of international agreements. Anyone with the slightest experience in business realizes that when one owes a debt and is not able to pay it, the way to maintain his morale is to extend the time for the payment of his debt, rather than directly or indirectly to pay the debt for him. If you give him the funds with which to pay the debt, he will expect the same treatment every time he owes any money, and nothing but complete demoralization may result.

Mr. President, I think we ought to stop and consider whether we are undermining the whole basis of international trade throughout the world for generations to come, in what we are doing in a few hours tonight.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. HAWKES. The Senator realizes that God has been pretty kind to the American people throughout the entire tragedy of the past few years.

Mr. KEM. God has been kind, and we are now in a period of inflation.

Mr. HAWKES. The Senator realizes that God has given us crops year after year. He has given us the material with which we have done these charitable things in feeding the world—with which I am in perfect harmony. I am in perfect agreement that we should have done the things we did to prevent starvation. But the Senator must realize that in time the American people will wake up and find out what this debt means, and what their situation is. They will realize that they will be accused of bad faith at the time when they find themselves unable to proceed further along the path on which we have started. That is the time when we are going to wake up.

Mr. KEM. When the Senator and I were young fellows we used to call it "the cool, gray dawn of the morning after."

Mr. HAWKES. The Senator realizes that this is not a pleasant thing which he and I as Senators are doing. It would be much more pleasant to say, "Come on in, boys, the water is fine"—and go on with this great program, rather than to think of the American people, and, I say to the Senator from Missouri, think of the people of the world, because we have to reestablish their faith in themselves and their initiative if we expect them to get on their feet again and stay on their feet.

Mr. KEM. Not only the people alive in the world today, but generations yet unborn. Does the Senator from New Jersey agree with me that what we are about to do may affect our children and our children's children?

Mr. HAWKES. I could not agree with the Senator more.

I find that those who stop, look, and listen, and look down the pathway of cause and effect, often are not understood.

Benjamin Franklin said a very wonderful thing in 1772:

Often those who serve in public office are misunderstood, and what they are doing is not appreciated. But that should not keep them from persevering in trying to do the right thing for the people, in the hope that some day the people will understand that their minds were right and their hearts were right, and will understand what they were trying to do.

Mr. KEM. I thank the Senator.

Mr. President, I have been talking about giving the British, the French, and the other nations of the world money with which to pay their debts to us. But there is another consideration, and that is that we are giving the British money with which to pay the Argentine and the people of other creditor nations throughout the world. If there is any reason in

the world why we should put the British in funds so that they can pay their debts to the bankers and entrepreneurs of the Argentine, so far as I know it has not yet been suggested in this discussion. Yet, reason or no reason, that is exactly what we are doing.

Mr. President, I had intended to speak at considerable length; but I shall bring to a close what I have to say.

I have set forth a few reasons why in my judgment the appropriations for this program should be cut, or the reductions should be held to coincide with the recommendations of the House of Representatives, or perhaps cut to an even greater extent. It is imperative that at this time the Congress take every possible step to safeguard our remaining national resources and preserve our domestic economy.

If we are to remain one of the last democratic strongholds in all the world, we must eliminate the grapeshot scattering of American commodities around the world, with no return.

Tom Paine once spoke of three classes of men. Of the third class, he said:

A certain set of moderate men who think better of the European world than it deserves, and this last class by an ill-judged deliberation will be the cause of more calamities to this continent than all the other three.

Mr. President, applying that language to the situation today, I wish to say that I hope Tom Paine was not a prophet.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MORSE. Mr. President, I have discussed with the Chairman of the Appropriations Committee, the Senator from New Hampshire [Mr. BRIDGES] an amendment to be added in line 23 on page 16; and the Senator from New Hampshire is going to accept the amendment. He desires to have the record show a sentence or two of intent, because the purpose of this amendment is to make certain at long last that we are going to take care of our domestic needs for anhydrous ammonia necessary to keep certain fertilizer plants in this country in operation, in order to supply American farmers with the fertilizer they need.

Therefore, I offer the amendment, with the understanding that the language can be perfected in conference, in order to carry out the intent I have enunciated, which is to see to it that the Army must take out from foreign allotments a small quantity of anhydrous ammonia—in the neighborhood of from 3 percent to 5 percent—that is to say keep for domestic use from 3 percent to 5 percent of the amount now being exported—or, in other words, whatever is needed to keep these plants in operation.

So on page 16, line 23, after the word "Treasury", I offer this amendment:

Provided, That the Administrator and the Secretary of the Army shall adjust the export allotments of fertilizer materials and compounds herein provided, including anhydrous ammonia, by taking into account domestic needs of anhydrous ammonia for the manufacture of fertilizer, to the end of supplying domestic fertilizer plants with that quantity of anhydrous ammonia necessary to meet domestic fertilizer needs.

Mr. BRIDGES. I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. BRIDGES. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered; and the legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the affirmative when his name was called.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

During the call of the roll,

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Is it not a fact that the calling of the yeas and nays had begun, and the Senator from Vermont had voted, when his name was called, before the suggestion of the absence of a quorum was made?

The PRESIDING OFFICER. The Senator from South Carolina was on his feet and was addressing the Chair before the Senator from Vermont had answered to his name. The Chair apologizes to the Senator from South Carolina and to the Senator from Vermont.

The legislative clerk resumed and concluded the calling of the roll; and the following Senators answered to their names:

Aiken	Hawkes	Millikin
Baldwin	Hayden	Morse
Barkley	Hickenlooper	Murray
Brewster	Hoey	O'Connor
Bricker	Holland	O'Daniel
Bridges	Ives	O'Mahoney
Brooks	Jenner	Pepper
Cain	Johnson, Colo.	Robertson, Va.
Capehart	Johnston, S. C.	Russell
Connally	Kem	Saltonstall
Cooper	Kilgore	Smith
Cordon	Knowland	Sparkman
Donnell	Langer	Stennis
Dworshak	Lodge	Stewart
Eaton	Lucas	Taft
Ellender	McCarthy	Taylor
Feazel	McClellan	Thye
Ferguson	McFarland	Tydings
Flanders	McMahon	Umstead
Fulbright	Magnuson	Vandenberg
Green	Malone	Wherry
Gurney	Martin	Wiley
Hatch	Maybank	Young

The PRESIDING OFFICER. Sixty-nine Senators having answered to their names, a quorum is present.

The question is, Shall the bill pass? The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Delaware [Mr. BUCK], the Senator from Wyoming [Mr. ROBERTSON],

the Senator from New Hampshire [Mr. TOBEY], and the Senator from Iowa [Mr. WILSON] are absent on official business.

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Kansas [Mr. REED], and the Senator from Maine [Mr. WHITE] are necessarily absent.

The Senator from Delaware [Mr. BUCK], the Senator from Nebraska [Mr. BUTLER], the Senator from Kansas [Mr. CAPPER], the Senator from Oklahoma [Mr. MOORE], the Senator from West Virginia [Mr. REVERCOMB], the Senator from Utah [Mr. WATKINS] and the Senator from Delaware [Mr. WILLIAMS] are unavoidably detained. If present and voting, the Senator from Utah [Mr. WATKINS] would vote "yea."

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from Nevada [Mr. McCARRAN], the Senator from Tennessee [Mr. McKELLAR], the Senator from Rhode Island [Mr. McGRATH], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Georgia [Mr. GEORGE] is absent because of a death in his family.

The Senator from Pennsylvania [Mr. MYERS] is absent on public business.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a national delegate by the President to the annual conference of the International Labor Organization, meeting in San Francisco, Calif.

I announce further that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Alabama [Mr. HILL], the Senator from Nevada [Mr. McCARRAN], the Senator from Rhode Island [Mr. McGRATH], the Senator from Tennessee [Mr. McKELLAR], the Senator from Pennsylvania [Mr. MYERS], the Senator from Utah [Mr. THOMAS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "yea."

The result was announced—yeas 60, nays 9, as follows:

YEAS—60		
Aiken	Gurney	Morse
Baldwin	Hatch	Murray
Barkley	Hayden	O'Connor
Brewster	Hickenlooper	O'Mahoney
Bricker	Hoey	Pepper
Bridges	Holland	Robertson, Va.
Brooks	Ives	Russell
Cain	Johnson, Colo.	Saltonstall
Connally	Kilgore	Smith
Cooper	Knowland	Sparkman
Cordon	Lodge	Stennis
Donnell	Lucas	Stewart
Dworshak	McCarthy	Taft
Eaton	McClellan	Thye
Ellender	McFarland	Tydings
Feazel	McMahon	Umstead
Ferguson	Magnuson	Vandenberg
Flanders	Martin	Wherry
Fulbright	Maybank	Wiley
Green	Millikin	Young

NAYS—9		
Capehart	Johnston, S. C.	Malone
Hawkes	Kem	O'Daniel
Jenner	Langer	Taylor

NOT VOTING—27

Ball	George	Robertson, Wyo.
Buck	Hill	Thomas, Okla.
Bushfield	McCarran	Thomas, Utah
Butler	McGrath	Tobey
Byrd	McKellar	Wagner
Capper	Moore	Watkins
Chavez	Myers	White
Downey	Reed	Williams
Eastland	Revercomb	Wilson

So the bill (H. R. 6801) was passed.

Mr. BRIDGES. Mr. President, I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BRIDGES, Mr. GURNEY, Mr. BROOKS, Mr. REED, Mr. McKELLAR, Mr. HAYDEN, and Mr. THOMAS of Oklahoma conferees on the part of the Senate.

AMENDMENT OF IMMIGRATION ACT OF 1917—CONFERENCE REPORT

Mr. REVERCOMB. Mr. President, I submit a conference report on House bill 3566, to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3566) to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

On page 5 of the Senate engrossed bill, strike out the below quoted language appearing in lines 9 to 20:

"If during the session of the Congress at which a case is reported, or if a case is reported less than 90 days prior to the close of the session, then during the next session of the Congress, the Congress passes a resolution stating in substance that it favors the suspension of such deportation, the Attorney General shall cancel deportation proceedings. If during the session of the Congress at which a case is reported, or if a case is reported less than 90 days prior to the close of the session, then during the next session of the Congress, the Congress does not pass such a resolution, the Attorney General shall thereupon deport such alien in the manner provided by law."

And insert in lieu thereof the below quoted language:

"If during the session of the Congress at which a case is reported, or prior to the close of the session of the Congress next following the session at which a case is reported, the Congress passes a concurrent resolution stating in substance that it favors the suspension of such deportation, the Attorney General shall cancel deportation proceedings. If prior to the close of the session of the Congress next following the session at which a case is reported, the Congress does not pass such a concurrent resolution, the Attorney General shall thereupon deport such alien in the manner provided by law."

And the Senate agree to the same.

CHAPMAN REVERCOMB,
ALEXANDER WILEY,
JAMES O. EASTLAND,

Managers on the Part of the Senate.

FRANK FELLOWS,
LOUIS E. GRAHAM,
EMANUEL CELLER,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the conference report?

There being no objection, the report was considered and agreed to.

CONFIRMATION OF NOMINATIONS

Mr. WHERRY. Mr. President, as in executive session, I ask unanimous consent that the Senate proceed to the consideration of nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. VANDENBERG, from the Committee on Foreign Relations:

Claude G. Bowers, of New York, now Ambassador Extraordinary and Plenipotentiary to Chile, to serve concurrently and without additional compensation as the representative of the United States in the Economic Commission for Latin America established by the Economic and Social Council of the United Nations February 25, 1948;

J. Klahr Huddle, of Ohio, now Ambassador Extraordinary and Plenipotentiary to Burma, to serve concurrently and without additional compensation as the representative of the United States on the Kashmir Commission of the Security Council of the United Nations;

William E. DeCourcy, of Texas, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Haiti;

Harold H. Tittmann, Jr., of Missouri, now Ambassador Extraordinary and Plenipotentiary to Haiti, to be Ambassador Extraordinary and Plenipotentiary to Peru;

William C. Burdett, Jr., of Georgia, now a Foreign Service officer of class 5 and a secretary in the diplomatic service, to be also a consul;

Charles E. Bohlen, of Massachusetts, and sundry other persons for promotion in the Foreign Service of the United States;

John P. Gardiner, of the District of Columbia, and sundry other persons for appointment as Foreign Service officers and secretaries in the diplomatic service;

Leo J. Callanan, of Massachusetts, and several persons for appointment in the Foreign Service;

Julius C. Holmes, of Kansas, and sundry other persons for appointment in the diplomatic service; and

Richard M. Connell, of Missouri, and sundry other persons for appointment as Foreign Service officers and secretaries in the diplomatic service.

By Mr. WHITE, from the Committee on Interstate and Foreign Commerce:

Frieda B. Hennock, of New York, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1948;

Henry W. Hemple, and sundry other officers to be captains, commanders, lieutenant

commanders, and lieutenants in the Coast and Geodetic Survey; and
Arthur E. Muffer and sundry other officers for appointment in the United States Coast Guard.

By Mr. TAFT, from the Committee on Labor and Public Welfare:

Henry W. Kassel, and sundry other candidates for appointment in the Regular Corps of the Public Health Service; and

Lee C. Watkins, and sundry other candidates for promotion in the Regular Corps of the Public Health Service.

By Mr. LANGER, from the Committee on Post Office and Civil Service:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

UNITED STATES ALTERNATE EXECUTIVE DIRECTOR OF THE INTERNATIONAL MONETARY FUND

The legislative clerk read the nomination of Henry J. Tasca to be United States Alternate Executive Director of the International Monetary Fund.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Claude P. Stephens to be United States attorney for the eastern district of Kentucky.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Joseph J. Hancock, of Kentucky, to be United States district judge of the Canal Zone.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Howard C. Gilmer, Jr., to be United States attorney for the western district of Virginia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHERRY. Mr. President, I ask unanimous consent that the President be immediately notified of all confirmations of today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

80TH CONGRESS
2D SESSION

H. R. 6801

IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 1948

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for foreign aid
5 for (1) the period beginning April 3, 1948 and ending June
6 30, 1949 such periods as are specified herein ending not
7 later than June 30, 1949, and for other purposes, namely:

TITLE I

ECONOMIC COOPERATION

10 For expenses necessary to carry out the provisions
11 of the Economic Cooperation Act of 1948 (title I of Public

1 Law 472, approved April 3, 1948) until ~~(2) June 30 April~~
 2 2, 1949, including expenses of attendance at meetings con-
 3 cerned with the purposes of this appropriation (not to exceed
 4 ~~(3)\$30,000~~ \$100,000) ; ~~(4)purchases of typewriters and~~
 5 *similar machines where same cannot be procured under the*
 6 *provisions of the Treasury-Post Office Departments Appro-*
 7 *priation Act, 1949; purchase (not to exceed (5)forty sixty*
 8 *including one at not to exceed \$3,000) and hire of passenger*
 9 *motor vehicles; (6)purchase (not to exceed two), mainte-*
 10 *nance, and operation of aircraft; payment of claims pursuant*
 11 *to section 403 of the Federal Tort Claims Act (28 U. S. C.*
 12 *921) ; (7)deposits in the Treasury for penalty mail (39*
 13 *U. S. C. 321d); health service program as authorized by law*
 14 *(5 U. S. C. 150) ; rents in the District of Columbia; trans-*
 15 *portation of privately owned automobiles; entertainment*
 16 *(not to exceed \$50,000) ; exchange of funds without regard*
 17 *to section 3651 of the Revised Statutes; and loss by ex-*
 18 *change; \$4,000,000,000, of which not to exceed \$200,000*
 19 *shall be available for expenditures of a confidential char-*
 20 *acter (other than entertainment) under the direction of the*
 21 *Administrator or the Deputy Administrator, who shall make*
 22 *a certificate of the amount of each such expenditure which*
 23 *he may think it advisable not to specify, and every such*
 24 *certificate shall be deemed a sufficient voucher for the amount*
 25 *therein certified (8); and of which such amount as may be*

1 necessary but not to exceed \$20,000,000 shall be available
2 for assistance to the Free Territory of Trieste or either
3 of its zones under the provisions of Public Law 389,
4 Eightieth Congress, first session, until the Free Territory
5 of Trieste or either of its zones becomes eligible for assistance
6 under the Economic Cooperation Act of 1948, which amount
7 shall be charged with any advances made heretofore by the
8 Reconstruction Finance Corporation pursuant to section
9 103 (b) of the Economic Cooperation Act of 1948, and the
10 Administrator is hereby authorized to repay the Reconstruc-
11 tion Finance Corporation for advances pursuant to section
12 103 (b) from the sum available for assistance to Trieste or
13 either of its zones under this section (9): *Provided*, That of
14 the amount herein appropriated not less than \$65,000,000
15 shall be utilized for acquiring in the United States nonfat dry
16 milk solids (10): *Provided further*, That not to exceed \$68,
17 000,000 may be expended for administrative and other
18 expenses including not to exceed \$10,000,000 for direct
19 administration and not to exceed \$10,000,000 for guar-
20 anties of investment in enterprises producing or distrib-
21 uting informational media provided for under section 111 (b).
22 (3) of the Economic Cooperation Act of 1948 (11): *Pro-*
23 *vided further*, That not less than 10 per centum of each
24 special local currency account established pursuant to section
25 115 (b) (6) of the Economic Cooperation Act of 1948 shall

1 be allocated to the use of the United States Government for
2 expenditure for strategic materials or other local currency re-
3 quirements of the United States of America (12): *Provided*
4 *further*, That allocations of funds provided pursuant to pro-
5 visions of the Economic Cooperation Act of 1948 for Austria
6 and any country under occupation by forces of the United
7 States shall be made to the United States Military Govern-
8 ment of such countries for administrative and other expenses
9 (13): *And provided further*, That expenditures may be
10 made hereunder for the purposes of economic rehabilitation
11 in Japan, Korea, and the Ryukyus in such manner as to
12 be consistent with the general objectives of the Economic
13 Cooperation Act of 1948 (14): *Provided*, That where
14 the Economic Cooperation Administrator requests the
15 United States military authorities to perform certain func-
16 tions under the Act, the Economic Cooperation Administrator
17 shall reimburse the military authorities for administrative
18 expenses incurred in the performance of such functions (15):
19 *Provided further*, That not to exceed \$63,000,000 may be
20 expended for administrative and other expenses (16): *Pro-*
21 *vided further*, That pursuant to section 117 (c) of the
22 Foreign Assistance Act of 1948, the Administrator shall
23 fix and pay a uniform rate per pound for the ocean trans-
24 portation of all relief packages of food or other general
25 classification of commodities shipped to any participating

1 foreign country, regardless of methods of shipment and
 2 higher rates charged by particular agencies of transporta-
 3 tion (17): Provided further, That guaranties of investments
 4 in enterprises producing or distributing informational media
 5 provided for under section 111 (b) (3) of the Economic
 6 Cooperation Act of 1948 shall not exceed \$10,000,000 in
 7 the first year (18): Provided further, That there shall be
 8 included within the local currency administrative expendi-
 9 tures of the United States such sums as may be necessary
 10 to meet expenditures of members and staff of the Joint Com-
 11 mittee on Foreign Economic Cooperation in the course of
 12 performance of committee functions within respecting par-
 13 ticipating countries.

14 INTERNATIONAL CHILDREN'S EMERGENCY 15 FUND

16 To enable the President during the fiscal year 1949 to
 17 carry out the provisions of the International Children's
 18 Emergency Fund Assistance Act of 1948 (title II of
 19 Public Law 472, approved April 3, 1948), (19) ~~\$60,000,~~
 20 ~~000~~ \$20,000,000.

21 ASSISTANCE TO GREECE AND TURKEY

22 For an additional amount for "Assistance to Greece
 23 and Turkey", as authorized by the Act of May 22, 1947
 24 (Public Law 75) as amended and supplemented by the
 25 Greek-Turkish Assistance Act of 1948 (title III of Public

1 Law 472, approved April 3, 1948), ~~(20)\$200,000,000~~
 2 \$250,000,000, which together with the amount heretofore
 3 appropriated under this head, shall remain available until
 4 June 30, 1949; and the limitation under this head in the
 5 Supplemental Appropriation Act, 1948, on the amount avail-
 6 able for administrative expenses, is increased from “\$4,500,-
 7 000” to “\$4,900,000”, and the limitation under said head on
 8 the amount available for such expenses in the District of
 9 Columbia is increased from “\$300,000” to “\$400,000”:
 10 *Provided*, That said limitations shall apply only to the ad-
 11 ministrative expenses of the Department of State: *Provided*
 12 *further*, That any funds heretofore or hereafter allocated
 13 under authority contained in section 2 (a) of the Act of May
 14 22, 1947 (Public Law 75), as amended, shall be available
 15 for obligation and expenditure in accordance with the laws
 16 governing obligations and expenditures of the department,
 17 agency, or independent establishment to which allocated,
 18 but this proviso shall not operate to increase the limitation
 19 heretofore provided for administrative expenses.

20 ASSISTANCE TO CHINA

21 For expenses necessary to carry out the provisions of
 22 the China Aid Act of 1948 (title IV of Public Law 472,
 23 approved April 3, 1948), until ~~(21)June 30, 1949~~ April 2,
 24 1949, including expenses of attendance at meetings con-
 25 cerned with the purposes of this appropriation; purchase

1 and hire of passenger motor vehicles; purchase, maintenance,
 2 and operation of aircraft; ~~(22)~~*deposits in the Treasury for*
 3 *penalty mail (39 U. S. C. 321 (d))*; payment of claims pur-
 4 suant to section 403 of the Federal Tort Claims Act (28
 5 U. S. C. 921); health service program as authorized by
 6 law (5 U. S. C. 150); transportation of privately owned
 7 automobiles; entertainment (not to exceed \$3,000); ex-
 8 change of funds without regard to section 3651 of the Revised
 9 Statutes; and loss by exchange; ~~(23)~~~~\$400,000,000~~, of
 10 ~~which not to exceed \$1,200,000 shall be available for ad-~~
 11 ~~ministrative expenses \$460,000,000, of which \$125,000,000~~
 12 ~~shall be available exclusively as provided in subsection 404~~
 13 ~~(b) of said Act (24):~~*Provided, That expenditures hereun-*
 14 ~~der shall be made and administered in such manner as to be~~
 15 ~~consistent with the general objectives and the limitations~~
 16 ~~provided in the Act for Assistance to Greece and Turkey~~
 17 ~~(Public Law 75, Eightieth Congress), as amended and sup-~~
 18 ~~plemented by the Greek-Turkish Assistance Act of 1948~~
 19 ~~(Public Law 472, Eightieth Congress).~~

20 NATIONAL MILITARY ESTABLISHMENT

21 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

22 GOVERNMENT AND RELIEF IN OCCUPIED AREAS

23 For expenses, not otherwise provided for, necessary to
 24 meet the responsibilities and obligations of the United States
 25 in connection with the government or occupation of certain

1 foreign areas, including personal services in the District
2 of Columbia and elsewhere and, subject to such authoriza-
3 tion and limitations as the Secretary of the Army may pre-
4 scribe, not to exceed \$220,000 may be available for tuition,
5 personal allowances (not to exceed \$10 per day), travel
6 expenses (not to exceed those authorized for like United
7 States military or civilian personnel), and fees incident to
8 instruction in the United States or elsewhere of such per-
9 sons as may be required to carry out the provisions of this
10 appropriation; travel expenses and transportation; services
11 as authorized by section 15 of the Act of August 2, 1946
12 (5 U. S. C. 55a), at rates not in excess of \$50 per day
13 and travel expenses for individuals; translation rights,
14 photographic work, educational exhibits, and dissemination
15 of information, including preview and review expenses inci-
16 dent thereto; expenses incident to the operation of schools
17 for American children; printing and binding; hire of pas-
18 senger motor vehicles and aircraft; repair and maintenance
19 of buildings, utilities, facilities, and appurtenances; con-
20 tingencies for the United States commanders of foreign
21 areas, to be expended in their respective discretions (not
22 exceeding amounts authorized or approved by the Secretary
23 of the Army); (25) ~~such minimum supplies for the civilian~~
24 ~~populations of such areas as may be essential to prevent~~
25 ~~starvation, disease, or unrest, prejudicial to the objectives~~

1 sought to be accomplished; ~~\$1,250,000,000~~ such supplies,
 2 commodities, and equipment as may be essential to carry
 3 out the purposes of this appropriation; \$1,325,000,000, of
 4 which not to exceed \$55,000,000 shall be available for ad-
 5 ministrative expenses: *Provided*, That when military person-
 6 nel of the Department of the Army are employed primarily
 7 for the purposes of this appropriation, the mileage and other
 8 travel allowances to which they may be entitled shall be
 9 paid herefrom: *Provided further*, That the general provi-
 10 sions of the appropriation Act for the fiscal year 1949 for
 11 the military functions of the Department of the Army shall
 12 apply to this appropriation: *Provided further*, That ex-
 13 penditures from this appropriation may be made outside
 14 continental United States, when necessary to carry out its
 15 purposes, without regard to sections 355, 1136, 3648, and
 16 3734, Revised Statutes, as amended, civil-service or clas-
 17 sification laws, or provisions of law prohibiting payment of
 18 any person not a citizen of the United States: *Provided*
 19 *further*, That expenditures from this appropriation may be
 20 made, when necessary to carry out its purposes, without
 21 regard to section 3709, Revised Statutes, as amended, and
 22 the Armed Services Procurement Act of 1947 (Public Law
 23 413, Eightieth Congress) : (26) *Provided further*, That ex-
 24 penditures may be made hereunder for the purposes of

1 *economic rehabilitation in Japan, Korea, and the Ryukyus*
2 *in such manner as to be consistent with the general objectives*
3 *of the Economic Cooperation Act of 1948: (27) Provided*
4 *further, That funds appropriated hereunder and unexpended*
5 *at the time of the termination of occupation by the United*
6 *States, of any area for which such funds are made available,*
7 *may be expended by the President for the procurement of*
8 *such commodities and technical services, and commodities*
9 *procured from funds herein or heretofore appropriated for*
10 *government and relief in occupied areas and not delivered*
11 *to such an area prior to the time of the termination of occupa-*
12 *tion, may be utilized by the President, as may be necessary*
13 *to assist in the maintenance of the political and economic*
14 *stability of such areas: (28) Provided, That before any such*
15 *assistance is made available, an agreement shall be entered*
16 *into between the United States and the recognized government*
17 *or authority with respect to such area containing such under-*
18 *takings by such government or authority as the President may*
19 *determine to be necessary in order to assure the efficient use of*
20 *such assistance in furtherance of such purposes: (29) Provided*
21 *further, That such agreement shall, where applicable, include*
22 *requirements and undertakings corresponding to the require-*
23 *ments and undertakings specified in sections 5, 6, and 7 of the*
24 *Foreign Aid Act of 1947 (Public Law 389, 80th Congress):*
25 *(30) Provided further, That funds appropriated hereunder*

1 may be used, insofar as practicable, and under such rules and
2 regulations as prescribed by the Secretary of the Army, to
3 pay ocean transportation charges from United States ports,
4 including territorial ports, to ports in Japan, Korea, and
5 the Ryukyus for the movement of supplies donated to, or pur-
6 chased by, United States voluntary nonprofit relief agencies
7 registered with and recommended by the Advisory Committee
8 on Voluntary Foreign Aid or of relief packages consigned
9 to individuals residing in such countries: (31) Provided
10 further, That under the rules and regulations to be prescribed,
11 the Secretary of the Army shall fix and pay a uniform rate
12 per pound for the ocean transportation of all relief packages
13 of food or other general classification of commodities shipped
14 to Japan, Korea, or the Ryukyus regardless of methods of
15 shipment and higher rates charged by particular agencies of
16 transportation: (32) Provided further, That service during the
17 fiscal year 1949 of an individual rendered to the Department
18 of the Army under this appropriation as an expert, consultant,
19 or technician shall not be considered as service or employment
20 bringing such individual within the provisions of section 109
21 or 113 of the Criminal Code (U. S. C., title 18, secs. 198
22 and 203), of section 190 of the Revised Statutes (U. S. C.,
23 title 5, sec. 99), or of section 19 (e) of the Contract Settle-
24 ment Act of 1944, or of any other Federal law imposing re-
25 strictions, requirements, or penalties in relation to the employ-

1 *ment of persons, the performance of services, or the payment*
 2 *or receipt of compensation in connection with any claim, pro-*
 3 *ceeding, or matter involving the United States: And provided*
 4 *further, That the Joint Committee on Foreign Economic*
 5 *Cooperation established pursuant to provisions of section 124*
 6 *(a) of the Economic Cooperation Act of 1948 shall have*
 7 *the same duties, powers, and responsibilities with respect to*
 8 *programs carried out by appropriations for Government and*
 9 *Relief in Occupied Areas as it has with respect to programs*
 10 *under the Economic Cooperation Act of 1948.*

11 DEPARTMENT OF STATE

12 INTERNATIONAL ACTIVITIES

13 United States participation in international organizations:
 14 For expenses necessary for United States participation in
 15 international organizations, including payment of the annual
 16 contributions, quotas, and assessments, and costs of perma-
 17 nent United States representation to such organizations, in
 18 not to exceed the respective amounts as follows:

19 International Refugee Organization (Public Law 146,
 20 Eightieth Congress), \$70,710,228, of which amount \$70,-
 21 643,728 shall be available for contribution (33): ~~Provided,~~
 22 That none of the funds appropriated herein shall be avail-
 23 able for contribution to the International Refugee Organ-
 24 ization until such time as there are effected agreements
 25 providing for a caloric diet for the occupants of refugee

1 camps that is no higher than that prevailing in the country
2 in which such camps are located.

3 TITLE II—GENERAL PROVISIONS

4 SEC. 201. No part of any appropriation contained in
5 this title shall be used to pay the salary or wages of any
6 person who engages in a strike against the Government of
7 the United States or who is a member of an organization of
8 Government employees that asserts the right to strike against
9 the Government of the United States, or who advocates, or
10 is a member of an organization that advocates, the over-
11 throw of the Government of the United States by force or
12 violence (34), ~~or who is a member of any labor organization~~
13 ~~the officers of which have not complied with the require-~~
14 ~~ments of subsection (h) of section 9 of the National Labor~~
15 ~~Relations Act as amended by the Labor Management Rela-~~
16 ~~tions Act, 1947: Provided, That for the purposes hereof~~
17 an affidavit shall be considered prima facie evidence that
18 the person making the affidavit has not contrary to the
19 provisions of this section engaged in a strike against the
20 Government of the United States, is not a member of an
21 organization of Government employees that asserts the
22 right to strike against the Government of the United States,
23 or that such person does not advocate, and is not a mem-
24 ber of an organization that advocates, the overthrow of
25 the Government of the United States by force or vio-

1 lence (35),—or that such person is not a member of any labor
 2 organization the officers of which have not complied with the
 3 requirements of subsection (h) of section 9 of the Na-
 4 tional Labor Relations Act as amended by the Labor-
 5 Management Relations Act, 1947: *Provided further*, That
 6 any person who engages in a strike against the Government
 7 of the United States or who is a member of an organization
 8 of Government employees that asserts the right to strike
 9 against the Government of the United States, or who advo-
 10 cates, or who is a member of an organization that advocates,
 11 the overthrow of the Government of the United States by
 12 force or violence, and accepts employment the salary or
 13 wages for which are paid from any appropriation contained
 14 in this title shall be guilty of a felony and, upon conviction,
 15 shall be fined not more than \$1,000 or imprisoned for not
 16 more than one year, or both: *Provided further*, That the
 17 above penalty clause shall be in addition to, and not in sub-
 18 stitution for, any other provisions of existing law.

19 (36)SEC. 202. No funds made available under the authority
 20 of this Act shall be used for the purchase of any com-
 21 modities (other than commodities procured by or in the
 22 possession of the Commodity Credit Corporation pursuant
 23 to Act of July 1, 1941 (55 Stat. 498), as amended), at
 24 prices higher than the market price prevailing in the United
 25 States at the time of the purchase: *Provided*, That no funds

1 available under this Act shall be used for the purchase of
2 wool other than from existing stocks owned by the Com-
3 modity Credit Corporation, unless or until such stocks are
4 exhausted.

5 *SEC. 202. None of the funds available under this Act*
6 *shall be used for the purchase of wool other than from existing*
7 *stocks owned by the Commodity Credit Corporation, unless*
8 *or until such stocks are exhausted.*

9 ~~(37)SEC. 203.~~ Not more than \$50,000,000 of the funds
10 herein appropriated shall be used for the purchase of farm
11 machinery, including farm tractors.

12 *SEC. 203. No part of the funds herein appropriated*
13 *shall be used to purchase farm machinery in the United*
14 *States in an amount which will bring the total purchases of*
15 *such machinery during fiscal year 1949, in the United States,*
16 *by or for the benefit of the countries participating in the*
17 *European recovery program, to more than \$75,000,000.*

18 ~~(38)SEC. 204.~~ Whenever an export license for a commodity,
19 the production or shipment of which to a nonparticipating
20 country was contracted for in good faith prior to March 1,
21 1948, is denied and cannot be obtained under section 6 of
22 the Act of July 2, 1940 (54 Stat. 714), as amended, the
23 Administrator shall provide for the procurement of such
24 commodity to transfer to a participating country in accord-
25 ance with the requirements of such country, at not less than

1 the contract price of such commodity to the producer or
2 exporter, as the case may be, including any cost incurred in
3 converting the commodity to meet the requirements of the
4 participating country.

5 SEC. 205. Not less than 50 per centum of all nitrates
6 or nitrogenous fertilizer material, including anhydrous am-
7 monia, obtained for participating countries by the Economic
8 Cooperation Administration under the Economic Coopera-
9 tion Act of 1948 with funds provided herein shall come from
10 production of the Department of the Army and the Depart-
11 ment of the Army is hereby authorized to produce and sell
12 such nitrogenous fertilizer materials, including anhydrous
13 ammonia, to fill such 50 per centum of such export
14 requirements.

15 SEC. 204. Not less than 50 per centum of the United
16 States export requirements of nitrogenous fertilizer materials
17 or nitrogenous compounds (including anhydrous ammonia)
18 for nonoccupied areas shall come from production of plants
19 operated by or for the Department of the Army. The De-
20 partment of the Army is hereby authorized to produce and
21 sell, in addition to its production for occupied areas, such
22 nitrogenous fertilizer materials or nitrogenous compounds
23 (including anhydrous ammonia) required for United States
24 exports to nonoccupied areas and to credit the proceeds of
25 such export sales to miscellaneous receipts of the Treasury:

1 *Provided, That the Administrator and the Secretary of the*
 2 *Army shall adjust the export allotments of fertilizer materials*
 3 *and compounds herein provided including anhydrous am-*
 4 *monia by taking into account domestic needs of anhydrous*
 5 *ammonia for manufacture of fertilizer to the end of supply-*
 6 *ing domestic fertilizer plants with that quantity of anhydrous*
 7 *ammonia necessary to meet domestic fertilizer needs.*

8 SEC. (40)~~206~~ 205. No funds made available under this
 9 Act shall be used by any governmental agency for the
 10 purpose of building additional commercial manufacturing
 11 plants in the United States.

12 SEC. (41)~~207~~ 206. This Act may be cited as the
 13 "Foreign Aid Appropriation Act, 1949".

Amend the title so as to read: "An Act making appropriations for foreign aid, and for other purposes."

Passed the House of Representatives June 4, 1948.

Attest: JOHN ANDREWS,
Clerk.

Passed the Senate with amendments June 15, 1948.

Attest: CARL A. LOEFFLER,
Secretary.

80TH CONGRESS
2d Session

H. R. 6801

AN ACT

Making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 1948

Ordered to be printed with the amendments of the
Senate numbered

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 17, 1948
For actions of June 16, 1948
30th-2nd, No. 110

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HIGHLIGHTS: House passed 2nd deficiency appropriation bill; same as reported so far as USDA items are concerned; rejected Mahon amendment to increase REA. Senate debated long-range farm program bill; adopted several amendments to committee substitute, including one continuing CCC. Senate passed bill authorizing certain carrier rate agreements, over President's veto. Senate agreed to conference report on omnibus flood-control bill. Senate committee reported bill authorizing Secretary of Defense to coordinate Federal activities in disaster areas. House passed Forest Service fiscal omnibus bill.

HOUSE

1. SECOND DEFICIENCY APPROPRIATION BILL. Passed with amendments this bill, H. R. 6935 (pp. 8637-49). Rejected, 93-137, an amendment by Rep. Mahon, Tex., to provide \$450,000 additional for 1949 administrative expenses of REA (pp. 8645-7). Rejected, 199-204, a motion by Rep. Mahon to recommit the bill with instructions for the Appropriations Committee to report it with this amendment (pp. 8648-9). Earlier an amendment by Rep. Mahon to appropriate this \$450,000, with a provision that it would be available until expended, was ruled out of order (p. 8645).
2. WATER POLLUTION. House conferees were appointed on S. 418, the water-pollution bill (p. 8634).
3. PAY RAISE. Rep. Harris, Ark., spoke in favor of a pay raise for Federal employees (pp. 8635-6).
4. NAVAL APPROPRIATION BILL. House conferees were appointed on this bill, H. R. 6772 (p. 8636).
5. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Reps. Ploeser, Jensen, Coudert, Clevenger, Mahon, Whitten, and Gore were appointed conferees on this bill, H. R. 6481 (p. 8636).
6. FOOD AND DRUG ADMINISTRATION. House conferees were appointed on H. R. 4071, to

increase the authority of this agency to condemn foods, etc. (pp. 8636-7).

7. SUPPLEMENTAL FEDERAL SECURITY AGENCY APPROPRIATION BILL. Passed this bill, H. R. 6355, over the President's veto by a 238-161 vote (pp. 8649-50). The Senate passed the bill over the veto, 72-17 (pp. 8610-12). The bill thus becomes law. It includes a provision which transfers the U. S. Employment Service from the Labor Department to the Federal Security Agency.
8. DISPLACED PERSONS. Received the conference report on H. R. 3566, to permit entry of displaced persons into the U. S., part of whom would be for agricultural work (p. 8653).
9. FOREIGN AID APPROPRIATION BILL. Reps. Taber, Wigglesworth, Engel of Mich., Stefan, Case of S. Dak., Keefe, Cannon, Kerr, and Mahon were appointed conferees on this bill, H. R. 6801 (pp. 8653-4).
10. FUR LABELING. H. R. 3734, to require fur labeling, was stricken from the consent calendar on objections of Reps. Van Zandt, Larcade, and Boggs of Del. (p. 8655).
11. TOBACCO PARITY. H. R. 5111, to change the base period for Md. tobacco, was discussed but objected to by Reps. Murray of Wis., Andersen, and Miller of Nebr., and thus was stricken from the consent calendar (p. 8655).
12. TRAVEL SERVICE. Passed with amendment H. R. 6136, to create a United States Travel Bureau in the Interior Department to encourage travel in the U. S. (p. 8662).
13. HOMESTEADS. Passed as reported H. R. 5555, which makes various amendments to the Small Tract Act of 1938, providing for purchase of public lands for home and other sites (p. 8662).
14. FOREST SERVICE FISCAL OMNIBUS BILL. Passed with amendments this bill, H. R. 2028, to facilitate and simplify the work of the Forest Service (pp. 8663-5).
15. ASSISTANT SECRETARIES. Passed without amendment H. R. 6822, to continue the authorization for two additional Assistant Secretaries of State (p. 8665).
16. FOREST LAND. Passed without amendment H. R. 5861, to transfer 480 acres of land in the Ouachita National Forest to Okla. (p. 8669).
17. RURAL ELECTRIFICATION. Passed without amendment S. 1087, to permit 3 cities, in Ala. and Tenn., to refinance indebtedness to TVA through REA loans (p. 8669). This bill will now be sent to the President.
18. OLEOMARGARINE. H. R. 6334, to authorize use of oleo in the armed forces, was stricken from the consent calendar on objections of Reps. Andersen, Hull, Smith of Wis., Murray of Wis., and Clevenger (p. 8670).
19. CIVIL-SERVICE RETIREMENT. Passed without amendment H. R. 6641, to provide annuities for certain surviving spouses of annuitants retired prior to Apr. 1, 1948 (p. 8671).
Passed as reported H. R. 5715, to extend retirement benefits to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55 (p. 8673).

workers are powerless to do more than talk about their needs? No union was built with words alone, no union can long be preserved when strikes are outlawed.

The strike is a last resort, an act of tremendous sacrifice on the part of workers, who generally, having no savings, are still willing to go without wages for weeks if need be to win their demands. Strikes cannot be called by so-called hot heads or agitators. As any union man knows, a strike to succeed at all must be an expression of the collective will of virtually all the organized workers.

By robbing unions of their defensive weapon of the strike and instituting government by injunction, the Taft-Hartley Act has created the first links in the chain of fascism.

By robbing workers of their best defense against inflation—free collective bargaining for better wages and working conditions—the Taft-Hartley Act has laid the basis for reduced purchasing power, lower living standards, and an eventual economic crisis which is bound to shake our economic system.

Along with the Taft-Hartley law, corporate wealth will be used to fight trade unions and undermine living standards. In depression days ahead those who are profiteering from inflation will be able to sit down on their money bags, while the people are starving and are subjected more and more to attempts at complete economic and political domination by big business.

It will take a vigorous, well-organized new political party—speaking a language politicians understand, the language of votes, to secure the repeal of the Taft-Hartley Act. The leadership of both the Republican and Democratic Parties has clearly demonstrated that in practice they support this bipartisan antilabor legislation.

CORRECTION OF ROLL CALL

Mr. MADDEN. Mr. Speaker, on roll call 109 I am not recorded. I was present and voted "aye."

I ask unanimous consent that the Journal and RECORD may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

Mr. WHITAKER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include extraneous matter.

Mr. McDOWELL asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include extraneous matter.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his

remarks in the Appendix of the RECORD and include a radio address.

Mr. WELCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the San Francisco Chronicle.

Mr. KEARNEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. HESELTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. HESELTON asked and was given permission to extend the remarks he made on the deficiency appropriation bill and include therein a resolution.

Mr. RIEHLMAN asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. DEVITT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. GAMBLE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

Mr. SHORT asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances, in one to include a statement before the Rules Committee.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks in two separate instances.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by the gentleman from Minnesota [Mr. Judd] and the gentleman from Texas [Mr. Gossett].

DISPLACED PERSONS BILL—CONFERENCE REPORT FILED

Mr. FELLOWS submitted the following conference report and statement on the bill (H. R. 3566) to amend subsection (e) of section 19 of the Immigration Act of 1917, as amended, and for other purposes, for printing under the rule:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3566) to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

On page 5 of the Senate engrossed bill, strike out the below quoted language appearing in lines 9 to 20:

"If during the session of the Congress at which a case is reported, or if a case is reported less than ninety days prior to the close of the session, then during the next session of the Congress, the Congress passes a resolution stating in substance that it favors the suspension of such deportation, the Attorney General shall cancel deportation proceedings. If during the session of the Congress at which a case is reported, or if a case is reported less than ninety days prior to the close of the session, then during the next session of the Congress, the Congress does not pass such a resolution, the Attorney General shall thereupon deport such alien in the manner provided by law."

And insert in lieu thereof the below quoted language:

"If during the session of the Congress at which a case is reported, or prior to the close of the session of the Congress next following the session at which a case is reported, the Congress passes a concurrent resolution stating in substance that it favors the suspension of such deportation, the Attorney General shall cancel deportation proceedings. If prior to the close of the session of the Congress next following the session at which a case is reported, the Congress does not pass such a concurrent resolution, the Attorney General shall thereupon deport such alien in the manner provided by law."

And the Senate agree to the same.

FRANK FELLOWS,
LOUIS E. GRAHAM,
EMANUEL CELLER,

Managers on the Part of the House.

CHAPMAN REVERCOMB,
ALEXANDER WILEY,
JAMES O. EASTLAND,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference of the two Houses on the amendment of the Senate to the bill, H. R. 3566, to amend subsection (c) of section 19 of the Immigration Act of 1917, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the House bill strikes out all after the enacting clause and rewrites section 1 of the bill with amendment. The House agrees to the Senate amendment of section 1 of the bill providing for congressional review of the Attorney General's recommendations in deportation cases submitted to the Congress under section 19 of the Immigration Act of 1917 but insists on its amendment that the Congress shall have an opportunity to review these cases, not only in the session in which they are presented but also during the session next following, if so desired. To this amendment the managers on the part of the Senate agree.

The managers on the part of the House agree to the Senate amendment striking out section 2 of the bill.

FRANK FELLOWS,
LOUIS E. GRAHAM,
EMANUEL CELLER,

Managers on the Part of the House.

ECA APPROPRIATION BILL SENT TO CONFERENCE

Mr. TABER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, with Senate amendments, disagree to the amendments of the Senate, agree to the conference asked by the Senate, and that the Speaker appoint conferees.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, is this the European relief program appropriation bill?

Mr. TABER. Yes.

Mr. McCORMACK. Has the gentleman conferred with the minority?

Mr. TABER. I have notified the minority leader. I have had this office called and tried to locate him to advise him that I was going to ask to send this to conference.

The SPEAKER. The Chair may say to the gentleman from Massachusetts that the request of the gentleman from

New York is merely to send the bill to conference.

Mr. McCORMACK. I understand that, Mr. Speaker.

Mr. TABER. The only member of the Deficiency Subcommittee on Appropriations I could contact was the gentleman from North Carolina [Mr. KERR]. I spoke to him.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. TABER, WIGGLESWORTH, ENGEL of Michigan, STEFAN, CASE of South Dakota, KEEFE, CANNON, KERR, and MAHON.

EXTENSION OF REMARKS

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BANTA asked and was given permission to extend his remarks in the Appendix of the RECORD.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

AMENDING THE NATIONALITY ACT OF 1940

The Clerk called the first bill on the Consent Calendar, H. R. 2286, to amend the Nationality Act of 1940.

Mr. POWELL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PURCHASE OF AUTOMOBILES BY CERTAIN DISABLED VETERANS

The Clerk called the bill (H. R. 4007) to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I understand that a bill has passed the Senate, now on the Speaker's desk, that is not as broad as this one but a bill which will provide benefits to this group of deserving veterans. May I ask the gentleman from Massachusetts if my understanding is correct?

Mrs. ROGERS of Massachusetts. The gentleman is correct. The bill, S. 1391, would cost about half as much as the bill now on the House Consent Calendar. As the gentleman knows, I have been trying to get that bill up for consideration and passage for over a year. It takes care of a group of very seriously disabled veterans. There are about 40 amputees in Washington today asking that the bill be passed before the adjournment of Congress.

Mr. McCORMACK. May I ask the gentleman from New Jersey if he would be agreeable to the passage of this bill and substituting the Senate bill?

Mr. KEAN. The gentleman from Massachusetts knows that we have a rule that bills allowing benefits shall not be taken from the Consent Calendar and passed. This bill would cost \$19,000,000, which would mean that the bill to which the gentleman refers would cost some \$10,000,000.

Mr. HALLECK. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from New Jersey that the bill be passed over without prejudice?

Mr. McCORMACK. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, I object.

PREVENTING MULTIPLE STATE INCOME TAXES ON SALARIES OF GOVERNMENT EMPLOYEES

The Clerk called the bill (H. R. 127) to amend the Judicial Code in respect to the original jurisdiction of the district courts of the United States in certain cases, and for other purposes.

Mr. MALONEY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. O'HARA. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MALONEY. Mr. Speaker, I object.

PAYMENT TO SWISS GOVERNMENT FOR DAMAGE INFLICTED DURING WORLD WAR II BY UNITED STATES ARMED FORCES

The Clerk called the bill (S. 1605) to provide for the payment of a sum not to exceed \$12,000,000 to the Swiss Government as partial compensation for damage inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CONTINUATION OF TRANSPORTATION SERVICES

The Clerk called the bill (H. R. 5318) to provide for the continuation of the transportation services of the Inland Waterways Corporation, for the disposition of its property and other interests, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KARSTEN of Missouri. Mr. Speaker, reserving the right to object, this is a very important piece of legislation to be considered on the Consent Calendar, and I think the House ought to have a little more information about it.

Mr. PLOESER. Mr. Speaker, if the gentleman will yield, there is general agreement all around as to the provisions in this bill. There was quite an extensive study made by the Committee on Small Business of the House dealing with this subject, later by the Subcommittee on Appropriations for Government Corporations, and then by the Committee on Interstate and Foreign Commerce. The only objection that arose at all to the provisions of the bill was eliminated by an amendment, I think offered by the gentleman from Iowa [Mr. DOLLIVER], and the House has already appropriated funds in the Government corporation appropriation bill, which was concurred in by the Senate, so there is no disagreement. The appropriation took into consideration the provisions of this bill.

Mr. KARSTEN of Missouri. When is it proposed to dispose of this corporation?

Mr. PLOESER. It permits disposal under conditions which would conform to the organic act.

Mr. KARSTEN of Missouri. How is it to be sold? Is it to be sold to private interests for cash or is it to be sold on time payments, or how is it to be sold?

Mr. PLOESER. We leave that practically up to the Department of Commerce to handle. Of course, it will be sold to private interests.

Mr. KARSTEN of Missouri. What has been done with reference to the continuation of this type of service.

Mr. PLOESER. If the gentleman were familiar with the organic act he would know that the service provided there would have to be continued, and this provides for the continuation of the service on the Mississippi and on the Missouri, with the same type of less-than-barge-load lot service as is being given now.

Mr. KARSTEN of Missouri. Can the gentleman tell me whether this bill has the approval of the American Waterways Association?

Mr. PLOESER. The competitive barge operators? No. Neither do they furnish the same service. Not all oppose this—but some want to kill the service.

Mr. KARSTEN of Missouri. I withdraw my reservation of objection, Mr. Speaker.

Mr. BOGGS of Louisiana. Mr. Speaker, further reserving the right to object, I consider this bill of vital importance, particularly to the lower Mississippi Valley, and I do not feel that it should be taken up in this fashion. I therefore object, Mr. Speaker.

CREDIT SERVICE AS A CADET FOR PAY PURPOSES

The Clerk called the bill (S. 657) to amend the Pay Readjustment Act of 1942, as amended, so as to authorize crediting of service as a cadet, midshipman, or aviation cadet for pay purposes, and for other purposes.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 22, 1948
For actions of June 19 & 20, 1948
Cong. Record - June 21, 1948
80th-2nd, No. 114

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HIGHLIGHTS: Both Houses agreed to conference reports on: Foreign-aid appropriation bill; farm-program bill; second deficiency appropriation bill; CCC charter bill; and pay-raise bill. House passed farm-labor bill; Senate concurred in House amendments. Both Houses adjourned until Dec. 31 subject to recall by majority leadership. President approved Agricultural Appropriation Act, 1949.

SENATE

- FARM PROGRAM.** Both Houses agreed to the conference report on H.R. 6248, the long-range farm program bill (pp. 9448, 9508-16). The conference report adopts the House version until Jan. 1, 1950, with an amendment regarding the base period for Md. tobacco; makes the Senate version of the price-support and parity-formula provisions effective Jan. 1, 1950; includes the Sec. 32 carryover provision and the strengthened Sec. 22 (import control) language; omits the Senate reorganization and declaration-of-policy provisions. This bill will now be sent to the President. (House vote on the bill was 147-70).
- C.C.C. CHARTER.** Both Houses agreed to the conference on S. 1322, to provide for a Federal charter for Commodity Credit Corporation (pp. 9422-4, 9483-5). This bill will now be sent to the President. The House Managers state that:
"In general, the conference substitute follows the language of the House amendment. The major differences between the conference substitute and the House amendment are indicated below.
"The Senate bill provided that Commodity Credit Corporation shall have the immunities of the United States from State statutes of limitations. The House amendment did not contain such a provision. Under the conference substitute a four year statute of limitations will apply to suits brought by or against the

corporation.

"Under the House amendment not more than two employees of the Corporation or any department or agency of the Federal Government could serve as directors of the Corporation. The conference substitute increases this number to three.

"The conference substitute contains a provision not in the House amendment authorizing the Secretary of Agriculture to appoint an interim Board consisting of five members, including the Secretary, who shall serve until October 1, 1948."

3. FARM LABOR. Concurred in the House amendments to S. 2767, to provide for recruitment and distribution of farm labor by the USES, Federal Security Agency (pp. 9448, 9455). This bill will now be sent to the President.

4. FOREIGN AID APPROPRIATION BILL. Both Houses agreed to the conference report on this bill (the House vote was 318-62), H.R. 6801 (pp. 9412-4, 9466-73). This bill will now be sent to the President.

As finally passed the bill provides as follows:

Economic Cooperation Administration, \$4,000,000,000, for the first 15 months of the program, but with the provision "That the entire amount may be apportioned for obligation or may be obligated and expended, if the President, after recommendation by the Administrator, deems such action necessary to carry out the purposes of said Act, during the period ending April 2, 1949, the first year of the program.

Assistance to Trieste, \$20,000,000, on the same basis.

International Children's Emergency Fund, \$35,000,000 (House figure \$60,000,000; Senate figure, \$20,000,000), fiscal year 1949.

Assistance to Greece and Turkey, \$225,000,000 (House figure \$200,000,000; Senate figure \$250,000,000), fiscal years 1948 and 1949.

Assistance to China, \$400,000,000 (House figure; Senate figure \$460,000,000), first year of the program.

Government and relief in occupied areas, \$1,300,000,000 (House figure, \$1,250,000,000; Senate figure \$1,325,000,000), fiscal year 1949.

International Refugee Organization, \$70,710,228 (same as budget), fiscal year 1949.

The following language was agreed to under the general provisions:

"Sec. 202. No funds made available under the authority of this Act shall be used for the purchase in bulk of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to Act of July 1, 1941 (55 Stat. 498), as amended), at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment: Provided, That no funds available under this Act shall be used for the purchase of wool other than from existing stocks owned by the Commodity Credit Corporation, unless or until such stocks are exhausted.

"Sec. 203. No part of the funds herein appropriated shall be used to purchase farm machinery, including tractors, in the United States in an amount which will bring the total exports of such machinery and tractors during the period for which this appropriation is made, from the United States, by or for the benefit of the countries participating in the European recovery program, to more than \$75,000,000."

"Sec. 204. Whenever an export license for a commodity, the production or shipment of which to a nonparticipating country was contracted for in good faith prior to March 1, 1948, is denied or cannot be obtained under section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, the Administrator shall provide for the procurement of such commodity to transfer to a participating country in accordance with the requirements of such country, at not less than the contract price of such commodity to the producer or exporter, as the case

may be, including any cost incurred in converting the commodity to meet the requirements of the participating country.

"Sec. 205. Not less than 50 per centum of the United States export requirements of nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) for nonoccupied areas shall come from production of plants operated by or for the Department of the Army.

"In addition, the Department of the Army shall make available, for the commercial production of nitrogenous fertilizer materials for domestic use, ten per centum of the total anhydrous ammonia produced in the United States in plants operated by or for the Department of the Army, said anhydrous ammonia to be distributed as directed by the Department of Commerce, which shall give preference, in distributing said anhydrous ammonia, to producers of ammonium sulphate who were producing ammonium sulphate during the six months preceding the enactment of this Act or who shall have ceased to produce, or shall be faced with an imminent shutdown in the production of, ammonium sulphate for want of anhydrous ammonia, to the extent necessary to permit such producers to operate. The Department of the Army is hereby authorized to produce and sell, in addition to its production for occupied areas, such nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) required for United States exports to nonoccupied areas or for the production of nitrogenous fertilizer materials for domestic use and to credit the proceeds of such sales to the appropriation for Government and Relief in Occupied Areas to the extent of the cost of such production for such sales and any balance to miscellaneous receipts of the Treasury."

5. VETERANS' HOUSING. Concurred in House amendments to S. 2790, to provide for a secondary market for GI loans (pp. 9439-41). This bill will now be sent to the President.
6. VIRGIN ISLANDS. Agreed to conference report on H.R. 5904, to incorporate the Virgin Islands Corporation (p. 9428). House also agreed to conference report on this bill (p. 9438). This bill will now be sent to the President.
7. HOUSING. Agreed to as reported H.Con.Res. 197, to continue the Joint Committee on Housing (pp. 9431-2).
Sen. Morse, Ore., inserted a Portland (Ore.) Realty Board letter urging provisions for housing for Vanport (Ore.) evacuees (p. 9453).
8. FARM LANDS. Sen. Morse, Ore., inserted a USDA statement, "Flood Damage to Farms in Columbia Basin Estimated" (p. 9453).
9. STRATEGIC MATERIALS. Began debate on S. 2756, to establish a Mine Incentive Payments Division in the Interior Department (pp. 9398, 9400, 9404-12, 9414-5, 9416-9, 9420-2, 9428-31, 9432-8, 9445-7, 9448-9).
10. FLOOD RELIEF. Sen. Morse, Ore., inserted RFC's letters on flood-relief legislation in the Northwest (pp. 9450-1).
11. ADJOURNMENT. Agreed to H.Con.Res. 218, to provide for adjournment of both Houses until 12:00 noon, Fri., Dec. 31, 1948, subject to recall by the president pro tempore of the Senate, the Speaker of the House, and majority leaders of the House and Senate, jointly (pp. 9449-50, 9461).

HOUSE

12. SECOND DEFICIENCY APPROPRIATION BILL, 1948. Both Houses agreed to the conference report on this bill, H.R. 6935, and acted on the amendment in disagree-

ment (pp. 9473-9, 9419-20). This bill will now be sent to the President.

As finally passed the bill contains the following items in addition to USDA items which are shown on the table on p. 8: Disaster relief, \$500,000, for use by the President; Displaced Persons Commission, \$2,000,000; water-pollution control, Federal Works Agency, \$75,000; National industrial reserve, Federal Works Agency, \$5,000,000; Selective Service System, \$25,000,000; Columbia Basin flood repair, Interior, \$2,000,000; stockpiling of strategic and critical materials, Bureau of Federal Supply, \$300,000,000; various amounts for judgments and claims.

The House insisted on its objection to a Senate amendment providing \$35,000,000 for disaster relief, public facilities, by FWA, and the Senate receded from this amendment.

The provision regarding flour shipments under export control (Commerce Department) was amended to read as follows: "That no part of this appropriation may be used to enforce any regulation prohibiting the export of one-hundred-pound bags of flour as or in gift packages of any type or quantity."

Includes provision for the repeal of penalty mail provisions.

13. **FEDERAL PAY BILL; POSTAL RATES.** Both Houses agreed to the conference report on H.R. 6916, to provide for increases and revisions in postage rates, to provide pay increases for Post Office employees, and to provide for a \$330 per year increase in the pay of other Federal employees. The bill also raises the \$10,000 salary limitation for classified employees to \$10,330 (pp. 9428, 9489-91). This bill will now be sent to the President.
14. **COMMITTEES.** Agreed to H.Res. 699, electing Rep. Wilson, Ind., to the Appropriations Committee. (p. 9492).
15. **COMMENDATIONS.** Several members spoke commending the work of retiring Reps. Dirksen, Ill., Flannagan, Va., and Johnson, Ill. (pp. 9492-3, 9493-5, 9502-3).
16. **FARM LABOR.** Passed with amendments S. 2767, to provide assistance by USES in the recruitment and distribution of foreign farm labor for work in the U.S. (pp. 9516-7).
17. **HOUSING.** Passed without amendment S. 2790, to amend the National Housing Act, so as to provide secondary markets for veterans' housing loans and for other purposes (pp. 9495-9500).
18. **LIVESTOCK.** Rep. Reeves, Mo., criticized activities of certain organizations which, he claimed, are trying to "convince the ECA to export 100,000 draft animals and livestock as part of the recovery program" (p. 9486).
19. **TRANSPORTATION.** Passed without amendment S.J.Res. 219, continuing until March 1 1949, the authority of the Maritime Commission to make provision for certain ocean transportation service to, from, and within Alaska (pp. 9487-8). This measure will now be sent to the President.
20. **LANDS.** The Public Lands Committee reported with amendments H.R. 6697, to authorize the sale and grant to Los Angeles, Calif.; of certain interests in public lands (H.Rept. 2429) (p. 9520).
21. **ADJOURNMENT.** Agreed to H.Con.Res. 218, providing for adjournment (p. 9520). See item 11.

BILL INTRODUCED

22. **PERSONNEL.** S. 2896, by Sen. Sparkman, Ala. (for himself and others), to establish

MAKING APPROPRIATIONS FOR FOREIGN AID

JUNE 19, 1948.—Ordered to be printed

Mr. TABER, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 6801]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 7, 12, 22, 32, 40, and 41.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 8, 9, 10, 13, 14, 21, 24, 26, 27, 28, 29, 30, 34, and 35, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert *June 30, 1949: Provided, That the entire amount may be apportioned for obligation or may be obligated and expended, if the President, after recommendation by the Administrator, deems such action necessary to carry out the purposes of said Act, during the period ending April 2;* and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the amount inserted in said amendment insert *\$60,000;* and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the number inserted by said amendment insert *fifty*; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert *hire of aircraft*; ; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows: : *Provided further, That not less than 5 per centum of each special local currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 shall be allocated to the use of the United States Government for expenditures for strategic materials where available or for other local currency requirements of the United States of America*; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert: *Provided further, that not to exceed \$58,000,000 may be expended for administrative and other expenses including not to exceed \$12,000,000 for direct administration and not to exceed \$6,000,000 for technical assistance authorized under section 111 (a) (3) of the Economic Cooperation Act of 1948*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert : *Provided further, That pursuant to section 117 (c) of the Foreign Assistance Act of 1948, the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert: *Provided further, That guaranties of investments in enterprises producing or dis-*

tributing informational media provided for under section 111 (b) (3) of the Economic Cooperation Act of 1948, or otherwise, shall not exceed \$10,000,000 in the first year; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert : *Provided further, That there shall be included within the local currency administrative expenditures of the United States such sums as may be necessary to meet expenditures of members and staff of the Joint Committee on Foreign Economic Cooperation in the course of performance of committee functions within respective participating countries; and the Senate agree to the same.*

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$35,000,000; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$225,000,000; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert \$400,000,000, of which not to exceed \$1,200,000 shall be available for administrative expenses and of which \$125,000,000 shall be available exclusively as provided in subsection 404 (b) of said Act; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows:

In lieu of the matter stricken out and inserted by said amendment insert *such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease, or unrest, prejudicial to the objectives sought to be accomplished, and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$1,300,000,000, ; and the Senate agree to the same.*

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert *Provided further, That under the rules and regulations to be prescribed, the Secre-*

tary of the Army shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan, Korea, or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: ; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows: : *Provided, That not to exceed 60 per centum of the funds appropriated herein shall be available for contribution to the International Refugee Organization until such time as there are effected agreements providing for a caloric diet for the occupants of refugee camps in Europe that is no higher than that prevailing in the country in which such camps are located; and the Senate agree to the same.*

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert:

SEC. 202. No funds made available under the authority of this Act shall be used for the purchase in bulk of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to Act of July 1, 1941 (55 Stat. 498), as amended), at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment: Provided, That no funds available under this Act shall be used for the purchase of wool other than from existing stocks owned by the Commodity Credit Corporation, unless or until such stocks are exhausted.

And the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert:

SEC. 203. No part of the funds herein appropriated shall be used to purchase farm machinery, including tractors, in the United States in an amount which will bring the total exports of such machinery and tractors during the period for which this appropriation is made, from the United States, by or for the benefit of the countries participating in the European recovery program, to more than \$75,000,000.

And the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows:

SEC. 204. Whenever an export license for a commodity, the production or shipment of which to a nonparticipating country was contracted for in good faith prior to March 1, 1948, is denied or cannot be obtained under section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, the Administrator shall provide for the procurement of such commodity to transfer to a participating country in accordance with the requirements of such country, at not less than the contract price of such commodity to the producer or exporter, as the case may be, including any cost incurred in converting the commodity to meet the requirements of the participating country.

And the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert the following:

SEC. 205. Not less than 50 per centum of the United States export requirements of nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) for nonoccupied areas shall come from production of plants operated by or for the Department of the Army.

In addition, the Department of the Army shall make available, for the commercial production of nitrogenous fertilizer materials for domestic use, ten per centum of the total anhydrous ammonia produced in the United States in plants operated by or for the Department of the Army, said anhydrous ammonia to be distributed as directed by the Department of Commerce, which shall give preference, in distributing said anhydrous ammonia, to producers of ammonium sulphate who were producing ammonium sulphate during the six months preceding the enactment of this Act or who shall have ceased to produce, or shall be faced with an imminent shutdown in the production of, ammonium sulphate for want of anhydrous ammonia, to the extent necessary to permit such producers to operate. The Department of the Army is hereby authorized to produce and sell, in addition to its production for occupied areas, such nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) required for United States exports to nonoccupied areas or for the production of nitrogenous fertilizer materials for domestic use and to credit the proceeds of such sales to the appropriation for Government and Relief in Occupied Areas to the extent of the cost of such production for such sales and any balance to miscellaneous receipts of the Treasury.

And the Senate agree to the same.

The House agrees to the title of the bill as amended by the Senate.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,

Managers on the Part of the House.

STYLES BRIDGES,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M. REED,
CARL HAYDEN,
ELMER THOMAS,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1 clarifies the period of time for which appropriations included in the bill are made available, as proposed by the Senate.

Amendment No. 2 restores language of the House providing for the availability of funds to June 30, 1949, instead of April 2, 1949, as proposed by the Senate, and adds language authorizing apportionments, obligations, and expenditures of appropriated funds by April 2, 1949, if the President deems such action necessary to carry out the provisions of the act.

Amendment No. 3 limits the amount that may be expended for attendance at meetings to \$60,000, instead of \$30,000, as proposed by the House, and \$100,000, as proposed by the Senate.

Amendment No. 4 eliminates the Senate provision for the purchase of typewriters and similar machines without regard to provisions of the Treasury-Post Office Departments Appropriation Act, 1949, as proposed by the House.

Amendment No. 5 limits the purchase of automobiles to 50, instead of 40, as proposed by the House, and 60, as proposed by the Senate.

Amendment No. 6 amends the provision of the Senate to provide for the hire, rather than the purchase and maintenance of aircraft.

Amendment No. 7 deletes the provision of the Senate providing for deposits in the Treasury for penalty mail, as proposed by the House.

Amendment No. 8 provides language and the amount of not to exceed \$20,000,000 for assistance to the Free Territory of Trieste, as proposed by the Senate.

Amendment No. 9 eliminates the provision of the House limiting to \$65,000,000 the amount to be expended for the purchase in the United States of nonfat dried-milk solids, as proposed by the Senate.

Amendment No. 10 eliminates the provision of the House limiting administrative expenditures to \$68,000,000, as proposed by the Senate.

Amendment No. 11 restores the provision of the House providing for the allocation to the use of the United States of a certain portion of funds deposited in the special local currency account of each participating country; reduces the amount of such allocations from 10 to 5 percent; and limits the expenditure of funds so allocated for purchases of strategic materials to countries where such strategic materials are available.

Amendment No. 12 restores the provision of the House providing that allocations of funds provided pursuant to provision of the

Economic Cooperation Act of 1948 for Austria and any other occupied country shall be made to the United States military government of such countries.

Amendment No. 13 deletes the provision of the House providing for the expenditure of Economic Cooperation Administration funds for economic rehabilitation in Japan, Korea, and the Ryukyus, as proposed by the Senate.

Amendment No. 14 provides for reimbursement to military authorities by the Economic Cooperation Administrator for administrative expenses incurred in connection with the program, as proposed by the Senate.

Amendment No. 15 limits the amount that may be expended for administrative and other expenses to \$58,000,000 instead of \$63,000,000, as proposed by the Senate, and adds additional limitations of not to exceed \$12,000,000 for direct administration and \$6,000,000 for technical assistance.

Amendment No. 16 inserts in slightly amended form provision of the Senate providing for uniform payments for ocean transportation of relief packages.

Amendment No. 17 clarifies language of the Senate which limits the amount to be expended for guaranties of investments in enterprises producing or distributing informational media to \$10,000,000.

Amendment No. 18 inserts a provision of the Senate providing for certain expenditures of members and staff of the Joint Committee on Foreign Economic Cooperation from the local currency funds of each participating country.

Amendment No. 19 appropriates \$35,000,000 for the International Children's Emergency Fund, instead of \$60,000,000, as proposed by the House and \$20,000,000 as proposed by the Senate.

Amendment No. 20 appropriates \$225,000,000 for assistance to Greece and Turkey, instead of \$200,000,000, as proposed by the House, and \$250,000,000, as proposed by the Senate.

Amendment No. 21 provides for assistance to China until April 2, 1949, as proposed by the Senate, instead of June 30, 1949, as proposed by the House.

Amendment No. 22 deletes language of the Senate providing for deposits in the Treasury for penalty mail, as proposed by the House.

Amendment No. 23 appropriates \$400,000,000 for assistance to China of which not to exceed \$1,200,000 shall be available for administrative expenses, as proposed by the House, instead of \$460,000,000, as proposed by the Senate; and makes \$125,000,000 of the appropriation available exclusively for carrying out the provisions of subsection 404 (b) of the China Aid Act of 1948.

Amendment No. 24 deletes the provision of the House providing for administration of the assistance to China program to conform with the objectives of assistance to Greece and Turkey.

Amendment No. 25 appropriates \$1,300,000,000 for government and relief in occupied areas under the Department of the Army, instead of \$1,250,000,000, as proposed by the House, and \$1,325,000,000, as proposed by the Senate; restores House language, and adds clarifying language covering purchases of supplies, commodities, and equipment, as proposed by the Senate.

Amendment No. 26 inserts provision of the Senate authorizing the use of funds appropriated for government and relief in occupied

areas, Department of the Army, for economic rehabilitation in Japan, Korea, and the Ryukyus.

Amendment No. 27 inserts provision of the Senate making available funds unexpended at the time of termination of occupation in any country for further procurement of commodities and services under direction of the President and for the fulfillment of previously negotiated contracts.

Amendment No. 28 inserts provision of the Senate making certain assistance in formerly occupied areas contingent on agreements between the President and such government that is established upon termination of occupation by the United States.

Amendment No. 29 inserts provision of the Senate providing that requirements of certain contracts with foreign governments correspond to requirements contained in specific sections of the Foreign Aid Act of 1947.

Amendment No. 30 inserts provision of the Senate authorizing the payment of transportation charges incurred by voluntary non-profit relief agencies in connection with shipment of relief packages from the United States to Japan, Korea, and Ryukyus.

Amendment No. 31 inserts in slightly amended form provision of the Senate providing for a uniform rate, fixed by the Secretary of the Army, for ocean transportation of relief packages.

Amendment No. 32 deletes the provision of the Senate providing for certain exemptions from existing law pertaining to the employment of experts, consultants, and technicians, as proposed by the House.

Amendment No. 33 restores the provision of the House making contingent the use of funds for the International Refugee Organization upon the execution of certain agreements relating to diet, amended to set the limitation at 60 percent of such funds for Europe.

Amendments Nos. 34 and 35 strike from the bill language proposed by the House to forbid employment of members of labor organizations which are not in compliance with the Labor-Management Relations Act, 1947.

Amendment No. 36 restores provision of the House establishing price limitations on commodities purchased with funds provided for in the act and providing for the purchase of wool from existing stocks owned by the Commodity Credit Corporation, amended to provide for certain price adjustments.

Amendment No. 37 eliminates provision of the House limiting expenditures for farm machinery and farm tractors to \$50,000,000, and amends substitute language of the Senate which provides for a total export limitation of farm machinery of \$75,000,000 by including in the language of the Senate, "tractors", and changing the period of applicability of the limitation to the period for which the appropriation is made rather than to fiscal year 1949.

Amendment No. 38 restores language of the House providing for purchase by the Economic Cooperation Administration of commodities for which contracts were entered into in good faith prior to March 1, 1948, but for which export licenses are denied and cannot be obtained, and changes the word "and" to "or" for purposes of clarification.

Amendment No. 39 eliminates language of the House governing the production and sale of nitrogenous fertilizer materials and inserts

a substitute provision setting forth conditions for the production and sale of nitrogenous fertilizer materials by the Department of the Army.

Amendments Nos. 40 and 41 correct section numbers.

JOHN TABER,
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GEORGE MAHON,

Managers on the Part of the House.



imagine he would think pretty well of the premium price plan and would want it put back into effect, but one would be exactly wrong.

Mr. McFARLAND. Mr. President, is the Senator personally acquainted with Mr. Young?

Mr. KEM. I know him well.

Mr. McFARLAND. Has he any lead to sell to the United States Government for stockpiling?

Mr. KEM. He is in the lead and zinc business, and I dare say he would be glad to have the Government's business. I suppose he is conducting business with the Government now.

Mr. McFARLAND. Is not the Senator informed about the lead business in his State?

Mr. KEM. I did not understand that to be the question. I understood the question was whether or not Mr. Andrew Young had any lead to sell.

Mr. McFARLAND. Does not the Senator know whether there is a surplus of lead in his State, or whether there is a scarcity of it, or what the mines are doing in his State?

Mr. KEM. I will show the Senator that when the premium plan ceased to operate production increased.

I want to read Mr. Young's comments about the price premium plan, notwithstanding his own personal interest in it. I am reading from the report:

It is our judgment that subsidies on metal production in peacetime are not justified unless the metals are required for permanent stockpiling by those responsible for national defense.

In other words, it seems that Mr. Young is willing to sacrifice his own personal interest rather than compromise with principle.

Mr. President, someone made the comment, "You are reading what the big men say. Let us hear what the little fellows have to say about it." I have a letter from Mr. Tom J. Rightly, of Joplin, Mo., under date of March 2, 1948. He is a mining engineer. He addressed me as follows:

JOPLIN, MO., March 2, 1948.

Hon. JAMES P. KEM,
United States Senator, Senate Office
Building, Washington, D. C.

DEAR SENATOR KEM: I trust it is in order to avail myself of the privilege of requesting you to continue your opposition to any bill that may be presented in Congress concerning a subsidy for zinc.

At the termination of the emergency a group of zinc producers began a lobby and propaganda campaign for the continuation of the premium price plan for copper, lead, and zinc, under the Allen bill (H. R. 1602).

That is the companion bill in the House. I continue reading from the letter:

The proposed subsidy was so unnecessary and wasteful of taxpayers' money that even New Deal President Truman felt called upon to veto the measure. The lesson of the past 8 months without a zinc premium has clearly demonstrated the justification and correctness of the action.

Now, again appears the "give me" producers in the zinc-mining industry attempting again to lobby and propagandize through Congress a dole for zinc, under any misnomer cause.

The same old gravy train, on another similar track, carrying the same load, but under new camouflage, and still fired and oiled by the same give-me group.

Many statements were misleading in the propaganda brochure put out last June by the Tri-State Zinc & Lead Ore Producers Association. Likewise many statements and assertions by some of our Republican friends who cuss out the New Deal but work for and have their hands out for New Deal give-me money from taxpayers' funds. It is surprising who some of these so-called Republicans are.

Contrary to the chiselers' wail of no subsidy, no production, the zinc production, with the subsidy ended in June, in the United States increased 9 percent during 1947 over 1946, when the subsidy was in full blast. This information was recently furnished by the Bureau of Mines. This production was made in contrast to the propaganda that mines would close, become flooded and worthless.

Some mines in this district and in other districts did close when the former subsidy terminated. They should remain closed until a price for zinc on a supply-and-demand basis in a free market will justify operations.

The Engineering and Mining Journal of February 1948 issue, considered by all mining men an authoritative and authentic source, states, "Most of the advocates want subsidies because their own operations will be helped." These advocates stand to make large profits at the expense of the taxpayer by an unwarranted subsidy. The recent subsidy gave them large profits and they can well afford to gamble large sums for propaganda and lobby in their new effort and let the taxpayer cry and be damned.

Zinc mines have operated for 8 months without a bonus. Supply and demand is in good position. Even with the large demand during the past 16 months a considerable tonnage of zinc has been diverted to Government stock pile.

There is no justifiable cause or reason at this time to warrant the unnecessary spending of taxpayers' money for a subsidy for zinc except that a privileged few may win large profits at taxpayers' expense.

I trust that your opposition to subsidies has not changed since last March and I respectfully and earnestly request that you

oppose any effort to revive a subsidy for zinc. The taxpayer will welcome and appreciate such an action by you.

Sincerely yours,

TOM J. RIGHTLY.

Mr. President, the question has been raised concerning the production of lead and zinc under present conditions. The Senator from Arizona [Mr. McFARLAND] was curious to know about whether I had any information as to the present condition of the industry. I shall be glad to answer that question. I have in my hand a statistical history of United States lead production. I believe the Senator's question was directed to lead production, was it not?

Mr. McFARLAND. I am interested in all of the metals and minerals.

Mr. KEM. This is a statistical history of United States lead production for 1945 to 1947, inclusive, and it carries through year by year. It shows the price in cents per pound; domestic mine production; domestic secondary production; imports of ores and concentrates; imports in bullion and refined lead; exports of refined lead, and so forth. The source is the United States Bureau of Mines, Bureau of Foreign and Domestic Commerce, and the Engineering and Mining Journal. It shows, Mr. President, that the domestic mine production in 1946, when the price-premium plan was in effect, was 332,500 short tons. In 1947, the amount increased to 400,000 short tons. The domestic secondary supply in 1946 was 392,800 short tons. In 1947 it increased to 425,000 short tons. Imports of ores and concentrates in 1946 were 44,500 short tons. In 1947 the amount increased to 50,000 short tons.

Mr. President, I ask unanimous consent to insert at this point in the RECORD the table as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

A statistical history of United States lead production and foreign trade, 1925 to 1947, inclusive

[In short tons]

Year	New York price (cents per pound)	Domestic mine production	Domestic secondary production	Imports in ores and concentrates	Imports in bullion	Imports of refined lead	Total imports	Exports of refined lead	Draw-back in manufactures
1925	9.02	684,400	226,900	44,500	70,600	7,000	122,100	103,500	-----
1926	8.42	684,000	277,300	58,100	78,300	11,200	147,600	71,900	-----
1927	6.76	665,500	276,000	40,600	118,300	2,500	161,400	125,300	-----
1928	6.30	627,200	308,000	25,900	128,500	700	155,100	116,300	13,400
1929	6.83	648,000	311,000	31,300	83,100	1,700	116,100	73,300	13,100
1930	5.52	558,300	255,800	39,400	38,600	200	78,200	48,300	12,200
1931	4.24	404,600	234,700	20,900	32,300	-----	53,200	21,700	10,500
1932	3.18	293,000	198,300	21,000	13,500	-----	34,500	23,500	7,200
1933	3.87	272,700	224,500	6,000	1,600	100	7,600	22,800	6,500
1934	3.86	287,400	208,400	10,600	2,500	300	13,300	5,700	7,500
1935	4.07	331,100	270,400	20,000	2,700	1,300	24,000	7,000	8,900
1936	4.71	372,900	262,900	20,700	300	2,600	23,600	18,300	8,305
1937	6.01	464,900	275,100	34,100	1,800	5,000	40,800	20,100	8,700
1938	4.74	369,700	224,900	45,400	15,300	2,000	63,900	45,900	9,100
1939	5.05	414,000	241,500	30,800	48,900	5,400	86,900	74,400	10,400
1940	5.18	457,400	260,300	111,300	19,600	151,600	282,500	23,800	15,600
1941	5.79	461,400	397,400	82,100	24,700	274,200	381,200	14,400	22,000
1942	6.48	496,200	323,000	79,400	43,900	366,500	492,500	1,900	26,300
1943	6.50	453,300	342,100	70,000	4,600	244,000	319,100	2,000	15,900
1944	6.50	416,900	331,400	93,600	60	222,800	321,300	15,500	20,200
1945	6.50	390,800	363,000	70,000	-----	227,500	299,700	1,400	5,400
1946	8.11	332,500	392,800	44,500	125	112,200	160,900	600	-----
1947 estimate	14.67	400,000	425,000	50,000	2,000	150,000	202,000	1,800	-----

¹ Premium payments by U. S. Government not included.

² Free market restored on Nov. 12, 1946.

Sources: U. S. Bureau of Mines; Bureau of Foreign and Domestic Commerce; Engineering and Mining Journal.

Mr. KEM. Mr. President, it is rather interesting that as soon as the price premium plan was discontinued the efficiency of our southeast Missouri lead belt operations increased. Under the operation of the price premium plan they dropped from around 16 tons per man shift to 10.6 tons per man shift. When the price premium plan went off they bounded back again. In other words, there seems to be a peculiar quirk in human nature that when the Government is paying for things and subsidizing there is not the efficiency, there is not the morale, there is not the production that is evident when the employer is on his own and the employees are on their own.

Mr. President, I have talked too long. My position in this matter may be inexplicable to some, but I think I can probably explain it.

I know very well that when Adolf Hitler came to power in Germany the main instrument he used to undermine the independence and self-reliance of the German people was subsidies. He paid subsidies right and left. He made the people generally apply to the Fuehrer as the source from which all blessings came. So it was not long before 40,000,000 Germans were goose-stepping and crying "Heil Hitler," and we know what a chain of human suffering followed. So, for my part, I want to stick to the American way of life, the free enterprise system of free competition that has served us so well, that has given us in America the highest standards of life the world has ever seen.

Mr. MALONE. Mr. President, I wish to answer some of the questions raised by the Senator from Missouri, for whom I have the highest regard, and I pay tribute to his sincerity and honesty, and I know that what he says comes from his heart.

I wish to say in all seriousness that the Senator from Missouri must know, as, indeed, anyone from a mining State must know, that for 30 years after the return of our Army from France in 1919 many committees of Congress began holding hearings to try to find out how to meet the serious emergency affecting metals.

I was in France with the field artillery during the first World War and we got nice new shiny 4.7 guns just a few weeks before the Armistice. Because of the lack of metals and other materials, we never got an American plane in the air over there. There was no timber or metals in stock piles.

During World War II, I was a special consultant for the Armed Services Committee, and we sat and sweated blood while the submarines of the Germans were sinking American ships carrying manganese and trying to bring goods from foreign countries because we did not have a stock pile.

I know that my colleague did not mean to approach this question in a facetious frame of mind. This is a desperate situation. When he says "Johnny Come Lately," I reply that these conditions have existed for 30 years. In the last 2 years the House committee has been holding hearings almost continuously, and on my desk are 28 volumes of transcripts of hearings we have held during

the past 2 years as part of the investigation conducted by the Senate National Resources Economics Subcommittee, and two-thirds of the hearings were devoted to minerals.

We published a 300-page statement showing the mineral position of the United States. There is not time to-night, I agree with the Senator, to go into this matter, but this is a good report. It comes largely from the Bureau of Mines, and it shows the mineral position of the United States, and how pitifully inadequate many of our known mineral resources are. I submit the report for the consideration of Members of the Senate.

Let me read a letter, only one letter, because I am not going to take much of the Senate's time. Mr. Krug made certain objections to the Russell bill, so to meet these objections we made the necessary changes in the bill after we had had 2 years of hearings. Nearly every mining man in the United States engaged in operations of any magnitude appeared before one of the congressional committees, and every mining association in the United States joined in a resolution asking for just such legislation as we are seeking to have passed by the Senate to-night. Here is a letter from Mr. Krug:

MY DEAR MR. RUSSELL: In your letter of May 5 you inquire as to the position of the Department of the Interior on incentive payments to domestic mine operators.

I do not feel that incentive production payments in excess of market prices are normally economically justified for minerals in times of peace. If it should appear, however, that a particular mineral is in such short supply that it cannot be stock-piled in quantities adequate for the national defense and if it appears that incentive payments to the marginal and submarginal producers of such a mineral would result in increasing the total national production of that mineral, the Department would not be opposed to incentive payments in such circumstances. The Department would not be inclined, however, to support a proposal for incentive payments where the mineral involved can be otherwise sufficiently stock-piled or where it appears that the incentive payment would produce such a displacement of labor from low-cost to marginal and submarginal mines as to reduce the total national production of the mineral involved.

Mr. KEM. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield.

Mr. KEM. Is there any difference between the Malone bill in the Senate and the Allen bill in the House?

Mr. MALONE. Does the Senator mean the Russell bill?

Mr. KEM. It is called the Allen bill by Mr. Krug.

Mr. MALONE. No. I am a little shocked. The Allen bill last year was a premium price plan, which was a war baby. Neither the Russell bill nor the bill which, with nine other Senators, I joined in introducing, has any relation whatever to the price premium payment plan.

Mr. KEM. I am talking about the bill pending in the House.

Mr. MALONE. The Russell bill?

Mr. KEM. Is that identical with the Malone bill?

Mr. MALONE. No. There are five or six vital differences.

Mr. KEM. Between that and the House bill?

Mr. MALONE. Yes. That is correct.

Mr. KEM. The caption of the bill is the same, is it not? I read the caption from Mr. Krug's letter.

Mr. MALONE. The caption is the same, and that is about all the similarity there is between them.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes.

FOREIGN AID APPROPRIATIONS— CONFERENCE REPORT

Mr. BRIDGES. I submit a conference report on House bill 6801, making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The conference report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 7, 12, 22, 32, 40 and 41.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 8, 9, 10, 13, 14, 21, 24, 26, 27, 28, 29, 30, 34 and 35; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert "June 30, 1949: *Provided*, That the entire amount may be apportioned for obligation or may be obligated and expended, if the President, after recommendation by the Administrator, deems such action necessary to carry out the purposes of said Act, during the period ending April 2"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the amount inserted in said amendment, insert "\$60,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the number inserted by said amendment, insert "fifty"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "hire of aircraft"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amend-

ment of the Senate numbered 11, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "Provided further, That not less than 5 per centum of each special local currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 shall be allocated to the use of the United States Government for expenditure for strategic materials where available or for other local currency requirements of the United States of America"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "Provided further, That not to exceed \$58,000,000 may be expended for administrative and other expenses including not to exceed \$12,000,000 for direct administration and not to exceed \$6,000,000 for technical assistance authorized under section 111 (a) (3) of the Economic Cooperation Act of 1948"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment, insert "Provided further, That pursuant to section 117 (c) of the Foreign Assistance Act of 1948, the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment, insert "Provided further, That guaranties of investments in enterprises producing or distributing informational media provided for under section 111 (b) (3) of the Economic Cooperation Act of 1948, or otherwise, shall not exceed \$10,000,000 in the first year"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment, insert "Provided further, That there shall be included within the local currency administrative expenditures of the United States such sums as may be necessary to meet expenditures of members and staff of the Joint Committee on Foreign Economic Cooperation in the course of performance of committee functions within respective participating countries"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$35,000,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$225,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and in-

serted by said amendment, insert "\$400,000,000, of which not to exceed \$1,200,000 shall be available for administrative expenses and of which \$125,000,000 shall be available exclusively as provided in subsection 404 (b) of said Act"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert "such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease, or unrest, prejudicial to the objectives sought to be accomplished, and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$1,300,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "Provided further, That under the rules and regulations to be prescribed, the Secretary of the Army shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan, Korea, or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "Provided, That not to exceed 60 per centum of the funds appropriated herein shall be available for contribution to the International Refugee Organization until such time as there are effected agreements providing for a caloric diet for the occupants of refugee camps in Europe that is no higher than that prevailing in the country in which such camps are located"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"SEC. 202. No funds made available under the authority of this Act shall be used for the purchase in bulk of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to Act of July 1, 1941 (55 Stat. 498), as amended), at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment: Provided, That no funds available under this act shall be used for the purchase of wool other than from existing stocks owned by the Commodity Credit Corporation, unless or until such stocks are exhausted."

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"SEC. 203. No part of the funds herein appropriated shall be used to purchase farm machinery, including tractors, in the United States in an amount which will bring the total exports of such machinery and tractors during the period for which this appropriation is made, from the United States, by or for the benefit of the countries participating in the European recovery program, to more than \$75,000,000."

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 204. Whenever an export license for a commodity, the production or shipment of which to a nonparticipating country was contracted for in good faith prior to March 1, 1948, is denied or cannot be obtained under section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, the Administrator shall provide for the procurement of such commodity to transfer to a participating country in accordance with the requirements of such country, at not less than the contract price of such commodity to the producer or exporter, as the case may be, including any cost incurred in converting the commodity to meet the requirements of the participating country."

And the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"SEC. 205. Not less than 50 per centum of the United States export requirements of nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) for nonoccupied areas shall come from production of plants operated by or for the Department of the Army.

"In addition, the Department of the Army shall make available, for the commercial production of nitrogenous fertilizer materials for domestic use, ten per centum of the total anhydrous ammonia produced in the United States in plants operated by or for the Department of the Army, said anhydrous ammonia to be distributed as directed by the Department of Commerce, which shall give preference, in distributing said anhydrous ammonia, to producers of ammonium sulphate who were producing ammonium sulphate during the six months preceding the enactment of this Act or who shall have ceased to produce, or shall be faced with an imminent shutdown in the production of, ammonium sulphate for want of anhydrous ammonia, to the extent necessary to permit such producers to operate. The Department of the Army is hereby authorized to produce and sell, in addition to its production for occupied areas, such nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) required for United States exports to nonoccupied areas or for the production of nitrogenous fertilizer materials for domestic use and to credit the proceeds of such sales to the appropriation for Government and Relief in Occupied Areas to the extent of the cost of such production for such sales and any balance to miscellaneous receipts of the Treasury."

And the Senate agree to the same.

The House agrees to the title of the bill as amended by the Senate.

STYLES BRIDGES,
CHAN GURNEY,
O. WAYLAND BROOKS,
CLYDE M. REED,
CARL HAYDEN,
ELMER THOMAS,

Managers on the Part of the Senate.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE H. MAHON,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. BYRD. Mr. President, I should like to have an explanation of the report.

Mr. BRIDGES. In general, let me say, that after many long hours of conferences extending over a period of days, the Senate conferees were able to reach an agreement with the House conferees. I think the agreement reached will be generally satisfactory to the Senate, because the major points in controversy, so far as the Senate is concerned, were settled along the lines of action taken by the Senate.

The total amount of the bill as finally agreed upon in conference, is \$6,030,710,228.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. BRIDGES. Yes.

Mr. HAWKES. How does the figure \$6,030,000,000 compare with the figure in the original Senate bill?

Mr. BRIDGES. The \$6,030,710,228 is broken down as follows:

Four billion dollars for the Economic Cooperation Administration, which is the part which goes for economic recovery and relief in Europe.

Four hundred million dollars for China.

One billion three hundred million dollars for government and relief in the occupied areas, which include the recovery items for Japan, Korea, and the Ryukyus.

Two hundred and twenty-five million dollars for Greek-Turkish relief.

Thirty-five million dollars for the International Emergency Children's Fund.

And there is \$70,710,228 for the International Refugee Organization.

Making a total of \$6,030,710,228.

The total amount recommended by the conferees is \$408,000,000 below the amount that was approved in the Senate bill.

The final figure on all items is \$503,000,000 under the amount authorized.

The amount for ECA is unchanged. It is \$4,000,000,000. The conferees put it back on a 12-month basis, for all practical purposes.

I might say to the Senator that the main disagreement between the House and the Senate was on the time element; whether it should apply to a 15-month period as the House voted, or a 12-month period as the Senate decided. We arrived at an agreement, finally, which makes the following provision:

The money is available "until June 30, 1949," which is the 15-month figure; "provided, that the entire amount may be appropriated for obligation or may be obligated and expended if the President, after recommendation by the Administrator, deems such action necessary to carry out the purposes of said act during the period ending April 2, 1949."

In other words, if the Administrator makes a recommendation and the President accepts the recommendation, the full amount may be available within the 12-month period, as was originally planned under the authorization act.

Mr. HAWKES. Has the distinguished Senator any doubt that the President and

the Economic Administrator will make such a recommendation?

Mr. BRIDGES. I would assume, if the estimates and the recommendations and the testimony which were given before the committee were correct, that with the cuts which we have made, a reexamination or resurvey would probably result in a somewhat similar recommendation on the use of the fund.

Mr. HAWKES. I thank the Senator.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BRIDGES. Yes; I am glad to yield to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, I do not need to suggest to the Senate my deep interest in this report and the extent of my belief that it is fundamentally related to the peace of the earth and the destiny of free America in a free world of free men.

I do not even hesitate long enough to express dissent from any of the reductions made by the committee, because I want to say without reservation that I think the conferees have done a splendid piece of constructive work which maintains the full spirit of this great enterprise.

I want to express my own sense of personal gratitude, Mr. President, not only to the conferees in general, but particularly, and with emphasis, to the distinguished Senator from New Hampshire [Mr. BRIDGES], the chairman of the Senate Appropriations Committee, for what I know has been his stalwart loyalty to a great ideal.

Mr. BRIDGES. Mr. President, I thank very much the distinguished Senator from Michigan, the chairman of the Foreign Relations Committee. I think that generally speaking we have met the objective of the Senate, and that the bill, as reported, will carry out the objectives which this country seeks.

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). The question is on agreeing to the conference report. The report was agreed to.

STIMULATION OF PRODUCTION AND CONSERVATION OF STRATEGIC AND CRITICAL ORES, METALS, AND MINERALS

Mr. BRIDGES. Mr. President, in this connection I should like to make a brief explanation of one of the items which we have considered, so that it will be clarified as a part of the report. I refer to the item relative to fertilizer.

The bill, as it now stands, would permit the Army to get the highest amount of production out of its fertilizer plants. The language in the report directs them to lease their plants to free enterprise wherever possible and to get out of cost-plus-contracts as soon as feasible. The report is open to the interpretation that the Army cannot expand its facilities at all and such is not the intent of the committee. It is our intent that they shall let private enterprise make the investment for expansion in all possible instances. It seems reasonable that the expansion of the Army plant at Morgantown, W. Va., and the movement of fertilizer trains from the Missouri ordnance plant, where the Bureau of Mines is now experimenting on synthetic fuel, should be done out of such funds

as are legally available to get the maximum fertilizer production. Otherwise, I think the report makes it very clear that the members of this Congress want the Army to lease out facilities on a competitive basis and not to use Government funds for expenditures which private enterprise is willing to make on an investment basis.

In connection with these remarks, I submit a letter addressed to the chairman of the Appropriations Committee and ask that it be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 16, 1948.

HON. STYLES BRIDGES,
United States Senate.

DEAR SENATOR BRIDGES: Senator MORSE's amendment requiring that a percentage of Army nitrogen production must be used to supply domestic needs, added to the previous requirement in Public Law 606 that the Army must meet 50 percent of the export requirements from the United States to non-occupied countries, makes it even more critically necessary to increase production as rapidly as possible.

The Army accepts without reservation the decision of your committee that the Cactus plant should be promptly leased and that the lessee should bear the cost of the capital improvements to create increased capacity there. It is our understanding that paragraph 6 (p. 15) of your committee's report referred primarily to the Cactus plant.

There are two other plants, however, in which more production can be obtained promptly at relatively small capital cost. While we believe that the proposed statutory language of section 204, as the Senate passed it, would, standing alone, be sufficient to authorize us to proceed with such increased production in these plants, utilization of GARIOA funds for this purpose would not be in accordance with paragraph 6 (p. 15) of your committee's report, unless its wording is clarified. We request such clarification to permit the expenditure of a total of about \$4,000,000 in connection with the Morgantown and Missouri ordnance plants.

The Morgantown, W. Va., plant requires relatively small modifications, estimated to cost only \$750,000, which would bring its facilities into better balance and so step up production by about 15,000 tons of nitrogen per year. It would not be practical at this time to lease this plant, and the added production can only be obtained promptly by utilization of Army funds.

At the Missouri ordnance plant, 60 percent of which is now being utilized by the Bureau of Mines, and which is not now an Army plant, there are two so-called trains which are not being utilized and which are capable of producing 24,000 tons of nitrogen per year. Because of lack of an assured gas supply at the present location, and also because of interference with the Bureau of Mines' program, it is necessary to move this equipment to a location at which an assured gas supply is available. The total estimated cost for this is \$3,200,000. It is possible that such installation could later be leased, and we will do so if possible, but we cannot be assured of achieving the production promptly without being in a position to make the initial expenditure ourselves.

These two measures to step up production would decrease the severe deficit which the occupied areas will have because of the new demands which have recently been made upon its production. Such steps will save at least several times their cost, in avoiding exports of food which would otherwise be required.

If we could merely have some expression from the floor indicating that the course

claim, any remuneration in excess of the maximum permitted by this section, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than \$5,000 or imprisoned not more than twelve months, or both, and, if any such payment shall have been made or granted, the administering agency shall take such action as may be necessary to recover the same, and, in addition thereto any such claimant shall forfeit all rights under this Act.

"HEARINGS WITH RESPECT TO CLAIMS

"SEC. 11. The Commission shall notify all claimants of the approval or denial of their claims, and, if approved, shall notify such claimants of the amount for which such claims are approved. Any claimant whose claim is denied, or is approved for less than the full allowable amount of such claim, shall be entitled, under such regulations as the Commission may prescribe, to a hearing before the Commission or its representatives with respect to such claim. Upon such hearing, the Commission may affirm, modify, or revise its former action with respect to such claim, including a denial or reduction in the amount theretofore allowed with respect to such claim. The action of the Commission in allowing or denying any claim under this Act shall be final and conclusive on all questions of law and fact and not subject to review by any other official of the United States or by any court by mandamus or otherwise, and the Comptroller General is authorized and directed to allow credit in the accounts of any certifying or disbursing officer for payments in accordance with such action.

"AMENDMENT TO TRADING WITH THE ENEMY ACT

"SEC. 12. The Trading With the Enemy Act of October 6, 1917, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 39. No property or interest therein of Germany, Japan, or any national of either such country vested in or transferred to any officer or agency of the Government at any time after December 17, 1941, pursuant to the provisions of this Act, shall be returned to former owners thereof or their successors in interest, and the United States shall not pay compensation for any such property or interest therein. The net proceeds remaining upon the completion of administration, liquidation, and disposition pursuant to the provisions of this Act of any such property or interest therein shall be covered into the Treasury at the earliest practicable date. Nothing in this section shall be construed to repeal or otherwise affect the operation of the provisions of section 32 of this Act or of the Philippine Property Act of 1946."

"WAR CLAIMS FUND

"SEC. 13. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the War Claims Fund. The War Claims Fund shall consist of all sums covered into the Treasury pursuant to the provisions of section 39 of the Trading With the Enemy Act of October 6, 1917, as amended. The moneys in such fund shall be available for expenditure only as provided in this Act or as may be provided hereafter by the Congress.

"(b) The Federal Security Administrator is authorized and directed to estimate and certify to the Secretary of the Treasury the total amount which will be required to pay all benefits payable as a result of the enactment of section 5 (f) of this Act. The Secretary of the Treasury shall transfer from the War Claims Fund to the general fund of the Treasury a sum equal to the total amount so certified by the Federal Security Administrator.

"(c) The Federal Security Administrator is authorized and directed to estimate and certify to the Secretary of the Treasury the total amount which will be required to

pay all additional benefits payable as a result of the enactment of section 4 (c) of this Act. The Secretary of the Treasury shall transfer from the war claims fund to the general fund of the Treasury a sum equal to the total amount so certified by the Federal Security Administrator.

"(d) The Secretary of State is authorized and directed to certify to the Secretary of the Treasury the total amount of all obligations canceled pursuant to the provisions of section 4 (b) (1) of this Act. The Secretary of the Treasury shall transfer from the war claims fund to the general fund of the Treasury an amount equal to the local amount so certified.

"(e) There are hereby authorized to be appropriated, out of any money in the war claims fund, such sums as may be necessary to enable the Commission to carry out its functions under this Act.

"PAYMENTS TO CERTAIN MEMBERS OF RELIGIOUS ORDERS

"SEC. 14. In any case in which any money is payable as a result of the enactment of this Act to any person who is prevented from accepting such money by the rules, regulations, or customs of the church or the religious order or organization of which he is a member, such money shall be paid, upon the request of such person, to such church or to such religious order or organization.

And the Senate agree to the same.

CARL HINSHAW,
JOSEPH P. O'HARA,
HUGH D. SCOTT, Jr.,
VIRGIL CHAPMAN,
LINDLEY BECKWORTH,

Managers on the Part of the House.

ALEXANDER WILBY,
JOHN SHERMAN COOPER,
WARREN G. MAGNUSON,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4044) to amend the Trading With the Enemy Act, as amended; to create a commission to make an inquiry and report with respect to war claims; and to provide for relief for internees in certain cases, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the bill and inserted an amendment in the nature of a substitute, which differed from the House bill in a number of respects.

The substitute agreed to in conference differs from both the House bill and the Senate amendment, but follows in general the provisions of the Senate amendment. The principal differences between the House bill and the conference substitute are explained briefly below:

Section 2 of the House bill, suspending payment of debt claims under section 34 of the Trading With the Enemy Act, has been omitted.

The report of the War Claims Commission, created by the bill, is to be made on or before March 31, 1949.

The conference substitute contains provisions, taken from the Senate amendment, which are to be administered by the Commission, relating to the adjudication and payment of claims by former members of the armed forces, held as prisoners of war by the enemy during the recent war, based upon failure to furnish the quantity and quality of food required by the Geneva Convention. It also provides for the adjudication and payment of claims filed by any religious organization functioning in the Philippine Islands and affiliated with a religious

organization in the United States, or by personnel of any such Philippine organization, on account of expenditures incurred by them in furnishing shelter, food, clothing, and other relief in the Philippines to members of the armed forces of the United States or to civilian internees.

The provisions of the conference substitute relating to payment of benefits for detention are to be administered by the Commission, and the detention benefit is to be at the rate of \$60 for each calendar month during which the individual was at least 18 years of age and at the rate of \$25 per month for each calendar month during which such person was less than 18 years of age. Under the House bill, detention benefits (as well as disability and death benefits) would have been administered by the Federal Security Administration, and determined in accordance with titles I and II of the Act of December 2, 1942 (56 Stat. 1028), as amended, as though the individual suffering detention were an employee within the purview of that Act; and it was provided that the average weekly wage of such individual, for such purpose, whether employed, self-employed, or not employed, should be deemed to have been \$37.50.

The conference substitute contains provisions, taken from the Senate amendment, but changed so that they would be administered by the Federal Security Administrator, authorizing adjudication and payment of claims of individuals who were employed by contractors of the Government on Wake, Guam, and Cavite, for amounts equal to the difference between what they would have received under their contracts and what they actually received.

The conference substitute contains a section, taken from the Senate bill, limiting the amount of remuneration any person may receive on account of services rendered to or on behalf of any claimant in connection with any claim filed with the Commission or the Federal Security Administrator under the Act.

The conference substitute, as did the Senate amendment, provides for the creation of a trust fund in the Treasury to be known as the War Claims Fund. The fund is to consist of all sums covered into the Treasury pursuant to section 39 of the Trading With the Enemy Act. The moneys in the fund are to be available only for carrying out the provisions of this legislation or as may be provided hereafter by the Congress.

CARL HINSHAW,
JOSEPH P. O'HARA,
HUGH D. SCOTT, Jr.,
VIRGIL CHAPMAN,
LINDLEY BECKWORTH,

Managers on the Part of the House.

Mr. HINSHAW. Mr. Speaker, I call up the conference report on the bill (H. R. 4044) to amend the Trading With the Enemy Act, as amended; to create a commission to make an inquiry and report with respect to war claims; and to provide for relief for internees in certain cases, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

Mr. HINSHAW. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to. A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KENNEDY asked and was granted permission to extend his remarks in the RECORD and include two letters.

CREDIT FOR MILITARY SERVICE AND TRAINING FOR POSTAL EMPLOYEES

Mr. REES. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2730) to credit, in certain cases, military service and training preparatory thereto performed by employees of the postal service.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 25 of the act entitled "An act to reclassify the salaries of postmasters, officers and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945 (U. S. C., 1946 ed., title 39, sec. 875), is hereby amended by adding to the last sentence "Provided, That in the case of employees who have been separated from the field service of the Post Office Department to transfer under war service regulations to private industry or another department or independent establishment or agency of the Federal Government, the periods or terms of such service immediately preceding such transfer as well as the time engaged in military service shall be construed as allowable service and pro rata credit shall be given for the time engaged in military service."

SEC. 2. Any person who prior to the enactment of this act received any amount the payment of which is authorized for the first time by this act is hereby relieved of all liability to refund to the United States any such amount; and in the audit and settlement of the amounts of any postmaster, or of any other designated disbursing officer of the Post Office Department or postal service, such amount shall be considered to have been authorized. Any amount heretofore credited to the employee or refunded by him to the United States on account of any such overpayment shall be repaid out of any money available for the payment of salaries of employees in the service in which he is employed.

SEC. 3. There are here authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 4. This act shall take effect as of July 1, 1945.

Mr. REES. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES: Strike out all after the enacting clause and insert the provisions of H. R. 6734, as amended.

"That section 25 of the act entitled 'An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes,' approved July 6, 1945 (U. S. C., 1946 edition, title 39, sec. 875), is hereby amended to read as follows:

"SEC. 25. Allowable service under the provisions of this act shall be only such continuous active service as has been rendered and shall not include previous periods or terms of employment, except that in the case of employees who have been separated

or shall hereafter be separated from the field service of the Post Office Department for military duty, or to comply with a war transfer as defined by the Civil Service Commission, the periods or terms of such service immediately preceding entry into military service or immediately preceding such transfer, as well as the time engaged in military service and service on war transfer, shall be construed as allowable service, and pro rata credit shall be given for the time engaged in military service and service on war transfer for each year of such service."

SEC. 2. Any person who prior to the enactment of this act received any amounts the payment of which is authorized for the first time by this act is hereby relieved of all liability to refund such amounts to the United States; and in the audit and settlement of the accounts of any postmaster, or of any other designated disbursing officer of the Post Office Department or postal service, the payment of such amounts shall be considered to have been authorized. The Postmaster General is hereby authorized and directed to repay, out of any funds hereafter appropriated pursuant to the authority of this act, any amounts heretofore credited to the employee or refunded by him to the United States on account of such receipt by him of unauthorized payments.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 4. The amendment made by the first section of this act to section 25 of the act of July 6, 1945, shall take effect as of July 1, 1945.

Amend the title so as to read: "A bill to include as allowable service under the act of July 6, 1945, service performed in the military forces and on war transfer by employees in the field service of the Post Office Department."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECESS

The SPEAKER. The Chair declares a recess, subject to the call of the Chair.

Thereupon, at 10 o'clock and 18 minutes p. m., the House stood in recess, subject to the call of the Speaker.

AFTER RECESS

The recess having expired, the House was called to order at 11 o'clock and 42 minutes p. m.

EUROPEAN RECOVERY PLAN— CONFERENCE REPORT

Mr. TABER, from the Committee on Appropriations, submitted the following conference report and statement on the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1948, and for other purposes, for printing in the RECORD.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 7, 12, 22, 32, 40 and 41.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 8, 9, 10, 13, 14, 21, 24, 26, 27, 28, 29, 30, 34 and 35, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "June 30, 1949: *Provided*, That the entire amount may be apportioned for obligation or may be obligated and expended, if the President, after recommendation by the Administrator, deems such action necessary to carry out the purposes of said Act, during the period ending April 2"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the amount inserted in said amendment insert "\$60,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the number inserted by said amendment insert "fifty"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert "hire of aircraft;" and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "": *Provided further*, That not less than 5 per centum of each special local currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 shall be allocated to the use of the United States Government for expenditure for strategic materials where available or for other local currency requirements of the United States of America"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert "": *Provided further*, that not to exceed \$58,000,000 may be expended for administrative and other expenses including not to exceed \$12,000,000 for direct administration and not to exceed \$6,000,000 for technical assistance authorized under section 111 (a) (3) of the Economic Cooperation Act of 1948"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "": *Provided further*, That pursuant to section 117 (c) of the Foreign Assistance Act of 1948, the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "": *Provided further*, That guaranties of investments in enterprises producing or distributing informational media provided for under section 111 (b) (3) of the Economic Cooperation Act of 1948, or otherwise, shall not exceed \$10,000,000 in the first year"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "": *Provided further*, That there shall be included within the local currency administrative expenditures of the United States such sums as may be necessary to meet expenditures of members and staff of the Joint Committee on Foreign Economic Cooperation in the course of performance of committee functions within respective participating countries"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$35,000,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert "\$225,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "\$400,000,000, of which not to exceed \$1,200,000 shall be available for administrative expenses and of which \$125,000,000 shall be available exclusively as provided in subsection 404 (b) of said Act"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease, or unrest, prejudicial to the objectives sought to be accomplished, and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$1,300,000,000,"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert "*Provided further*, That under the rules and regulations to be prescribed, the Secretary of the Army shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan, Korea, or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals."; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"": *Provided*, That not to exceed 60 per centum of the funds appropriated herein shall be available for contribution to the International Refugee Organization until such time as there are effected agreements providing for a caloric diet for the occupants of refugee camps in Europe that is no higher than that prevailing in the country in which such camps are located"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"SEC. 202. No funds made available under the authority of this Act shall be used for the purchase in bulk of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to Act of July 1, 1941 (55 Stat. 498), as amended), at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment: *Provided*, That no funds available under this Act shall be used for the purchase of wool other than from existing stocks owned by the Commodity Credit Corporation, unless or until such stocks are exhausted."

And the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"SEC. 203. No part of the funds herein appropriated shall be used to purchase farm machinery, including tractors, in the United States in an amount which will bring the total exports of such machinery and tractors during the period for which this appropriation is made, from the United States, by or for the benefit of the countries participating in the European recovery program, to more than \$75,000,000."

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 204. Whenever an export license for a commodity, the production or shipment of which to a nonparticipating country was contracted for in good faith prior to March 1, 1948, is denied or cannot be obtained under section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, the Administrator shall provide for the procurement of such commodity to transfer to a participating country in accordance with the requirements of such country, at not less than the contract price of such commodity to the producer or exporter, as the case may be, including any cost incurred in converting the commodity to meet the requirements of the participating country."

And the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert the following:

"SEC. 205. Not less than 50 per centum of the United States export requirements of nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) for nonoccupied areas shall come from production of plants operated by or for the Department of the Army.

"In addition, the Department of the Army shall make available, for the commercial production of nitrogenous fertilizer mate-

rials for domestic use, 10 per centum of the total anhydrous ammonia produced in the United States in plants operated by or for the Department of the Army, said anhydrous ammonia to be distributed as directed by the Department of Commerce, which shall give preference, in distributing said anhydrous ammonia, to producers of ammonium sulphate who were producing ammonium sulphate during the six months preceding the enactment of this Act or who shall have ceased to produce, or shall be faced with an imminent shutdown in the production of, ammonium sulphate for want of anhydrous ammonia, to the extent necessary to permit such producers to operate. The Department of the Army is hereby authorized to produce and sell, in addition to its production for occupied areas, such nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) required for United States exports to nonoccupied areas or for the production of nitrogenous fertilizer materials for domestic use and to credit the proceeds of such sales to the appropriation for Government and Relief in Occupied Areas to the extent of the cost of such production for such sales and any balance to miscellaneous receipts of the Treasury."

And the Senate agree to the same.

The House agrees to the title of the bill as amended by the Senate.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,

Managers on the Part of the House.

STYLES BRIDGES,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M. REED,
CARL HAYDEN,
ELMER THOMAS,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6801) making appropriations for foreign aid for the period beginning April 3, 1948, and ending June 30, 1949, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1: Clarifies the period of time for which appropriations included in the bill are made available, as proposed by the Senate.

Amendment No. 2: Restores language of the House providing for the availability of funds to June 30, 1949, instead of April 2, 1949, as proposed by the Senate, and adds language authorizing apportionments, obligations, and expenditures of appropriated funds by April 2, 1949, if the President deems such action necessary to carry out the provisions of the Act.

Amendment No. 3: Limits the amount that may be expended for attendance at meetings to \$60,000, instead of \$30,000, as proposed by the House, and \$100,000 as proposed by the Senate.

Amendment No. 4: Eliminates the Senate provision for the purchase of typewriters and similar machines without regard to provisions of the Treasury-Post Office Departments Appropriation Act, 1949, as proposed by the House.

Amendment No. 5: Limits the purchase of automobiles to 50, instead of 40, as proposed by the House, and 60, as proposed by the Senate.

Amendment No. 6: Amends the provision of the Senate to provide for the hire, rather than the purchase and maintenance of aircraft.

Amendment No. 7: Deletes the provision of the Senate providing for deposits in the Treasury for penalty mail, as proposed by the House.

Amendment No. 8: Provides language and the amount of not to exceed \$20,000,000 for assistance to the Free Territory of Trieste, as proposed by the Senate.

Amendment No. 9: Eliminates the provision of the House limiting to \$65,000,000 the amount to be expended for the purchase in the United States of nonfat dried milk solids, as proposed by the Senate.

Amendment No. 10: Eliminates the provision of the House limiting administrative expenditures to \$68,000,000, as proposed by the Senate.

Amendment No. 11: Restores the provision of the House providing for the allocation to the use of the United States of a certain portion of funds deposited in the special local currency account of each participating country; reduces the amount of such allocations from 10 to 5 per centum; and limits the expenditure of funds so allocated for purchases of strategic materials to countries where such strategic materials are available.

Amendment No. 12: Restores the provision of the House providing that allocations of funds provided pursuant to provision of the Economic Cooperation Act of 1948 for Austria and any other occupied country shall be made to the United States Military Government of such countries.

Amendment No. 13: Deletes the provision of the House providing for the expenditure of Economic Cooperation Administration funds for economic rehabilitation in Japan, Korea, and the Ryukyus, as proposed by the Senate.

Amendment No. 14: Provides for reimbursement to military authorities by the Economic Cooperation Administrator for administrative expenses incurred in connection with the program, as proposed by the Senate.

Amendment No. 15: Limits the amount that may be expended for administrative and other expenses to \$58,000,000 instead of \$63,000,000, as proposed by the Senate, and adds additional limitations of not to exceed \$12,000,000 for direct administration and \$6,000,000 for technical assistance.

Amendment No. 16: Inserts in slightly amended form provision of the Senate providing for uniform payments for ocean transportation of relief packages.

Amendment No. 17: Clarifies language of the Senate which limits the amount to be expended for guarantees of investments in enterprises producing or distributing informational media to \$10,000,000.

Amendment No. 18: Inserts a provision of the Senate providing for certain expenditures of members of staff of the Joint Committee on Foreign Economic Cooperation from the local currency funds of each participating country.

Amendment No. 19: Appropriates \$35,000,000 for the International Children's Emergency Fund, instead of \$60,000,000, as proposed by the House and \$20,000,000 as proposed by the Senate.

Amendment No. 20: Appropriates \$225,000,000 for Assistance to Greece and Turkey, instead of \$200,000,000, as proposed by the House, and \$250,000,000, as proposed by the Senate.

Amendment No. 21: Provides for Assistance to China until April 2, 1949, as proposed by the Senate, instead of June 30, 1949, as proposed by the House.

Amendment No. 22: Deletes language of the Senate providing for deposits in the Treasury for penalty mail, as proposed by the House.

Amendment No. 23: Appropriates \$400,000,000 for Assistance to China of which not

to exceed \$1,200,000 shall be available for administrative expenses, as proposed by the House, instead of \$460,000,000, as proposed by the Senate; and makes \$125,000,000 of the appropriation available exclusively for carrying out the provisions of subsection 404 (b) of the China Aid Act of 1948.

Amendment No. 24: Deletes the provision of the House providing for administration of the Assistance to China program to conform with the objectives of Assistance to Greece and Turkey.

Amendment No. 25: Appropriates \$1,300,000,000 for Government and Relief in Occupied Areas under the Department of the Army, instead of \$1,250,000,000, as proposed by the House, and \$1,325,000,000, as proposed by the Senate; restores House language, and adds clarifying language covering purchases of supplies, commodities, and equipment, as proposed by the Senate.

Amendment No. 26: Inserts provision of the Senate authorizing the use of funds appropriated for Government and Relief in Occupied Areas, Department of the Army, for economic rehabilitation in Japan, Korea, and the Ryukyus.

Amendment No. 27: Inserts provision of the Senate making available funds unexpended at the time of termination of occupation in any country for further procurement of commodities and services under direction of the President and for the fulfillment of previously negotiated contracts.

Amendment No. 28: Inserts provision of the Senate making certain assistance in formerly occupied areas contingent on agreements between the President and such government that is established upon termination of occupation by the United States.

Amendment No. 29: Inserts provision of the Senate providing that requirements of certain contracts with foreign governments correspond to requirements contained in specific sections of the Foreign Aid Act of 1947.

Amendment No. 30: Inserts provision of the Senate authorizing the payment of transportation charges incurred by voluntary non-profit relief agencies in connection with shipment of relief packages from the United States to Japan, Korea, and the Ryukyus.

Amendment No. 31: Inserts in slightly amended form provision of the Senate providing for a uniform rate, fixed by the Secretary of the Army, for ocean transportation of relief packages.

Amendment No. 32: Deletes the provision of the Senate providing for certain exemptions from existing law pertaining to the employment of experts, consultants, and technicians, as proposed by the House.

Amendment No. 33: Restores the provision of the House making contingent the use of funds for the International Refugee Organization upon the execution of certain agreements relating to diet, amended to set the limitation at 60 per centum of such funds for Europe.

Amendments Nos. 34 and 35: Strike from the bill language proposed by the House to forbid employment of members of labor organizations which are not in compliance with the Labor-Management Relations Act, 1947.

Amendment No. 36: Restores provision of the House establishing price limitations on commodities purchased with funds provided for in the Act and providing for the purchase of wool from existing stocks owned by the Commodity Credit Corporation, amended to provide for certain price adjustments.

Amendment No. 37: Eliminates provision of the House limiting expenditures for farm machinery and farm tractors to \$50,000,000, and amends substitute language of the Senate which provides for a total export limitation of farm machinery of \$75,000,000 by including in the language of the Senate, "tractors", and changing the period of applicabil-

ity of the limitation to the period for which the appropriation is made rather than to fiscal year 1949.

Amendment No. 38: Restores language of the House providing for purchase by the Economic Cooperation Administration of commodities for which contracts were entered into in good faith prior to March 1, 1948, but for which export licenses are denied and cannot be obtained, and changes the word "and" to "or" for purposes of clarification.

Amendment No. 39: Eliminates language of the House governing the production and sale of nitrogenous fertilizer materials and inserts a substitute provision setting forth conditions for the production and sale of nitrogenous fertilizer materials by the Department of the Army.

Amendments Nos. 40 and 41: Correct section numbers.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,

Managers on the Part of the House.

Mr. TABER. Mr. Speaker, I call up the conference report on the bill (H. R. 6801), and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

The Clerk read the statement.

Mr. TABER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, we are presenting a complete report on this bill. It carries a provision in title I with reference to ECA; I think I should read it to you in full, because it was not set out completely in the statement that was read in lieu of the conference report. I refer to amendment No. 2 where we carried the funds in the House to run to the 30th of June. This is the amendment:

Until June 30, 1949, provided that the entire amount may be apportioned for obligation or may be obligated and expended if the President after recommendation by the Administrator deems such action necessary to carry out the purposes of said act during the period ending April 2, 1949.

Frankly, I believe they have ample money to carry through all that they can honestly and legitimately spend until that date.

The amount of \$4,000,000,000 which was carried in the House bill was not changed by the Senate so that remains as it was, \$245,000,000 below the budget.

The other major changes were to the House figure of \$400,000,000 for China, which was retained, and the date was left as the Senate placed it, April 2, 1949.

The item for IRO was changed so that not more than 60 percent of the funds appropriated might be available unless an agreement is made providing that the caloric ration would be no higher than that prevailing in the country in which the camps were located.

The item for Greece and Turkey was made \$225,000,000 as against \$250,000,000 in the Senate and \$200,000,000 in the House.

The item for relief in occupied areas was made \$1,300,000,000 as against \$1,250,000,000 in the House and \$1,325,000,000 in the Senate.

There was carried into that provision an authorization for expenditures along the line of the ECA in occupied territories and that provision which had been incorporated in the ECA was deleted.

I think that concludes the story of about what happened to the bill.

I just want to call attention to one thing as I close. While there has been insufficient time in which to complete a tabulation of total budget estimates and total appropriations for this session of the Eightieth Congress, my preliminary information is that the reduction in the total budget estimates will be nearly \$3,000,000,000.

Mr. DEVITT. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. DEVITT. I call the attention of the gentleman to amendments Nos. 16 and 31 dealing with the payment of ocean freight charges on relief packages by the Administrator, and ask if he will explain the provisions of the conference report and in what respect they differ from the bill as passed by the other body.

Mr. TABER. We have made some changes in the language there, and I believe we have left it where these profiteers cannot declare a dividend out of the operations. We have not provided subsidies for anybody in connection with the operations.

Mr. DEVITT. I will say to the gentleman that section 117 (c) of the European Recovery Act makes provision by the terms of which the Administrator is required to pay the ocean freight charges on these relief packages for persons who ship packages to individuals overseas. I would like to ask the gentleman if under the terms of this bill now it is applicable to commercial organizations that operate for profit.

Mr. TABER. I will yield to the gentleman from Wisconsin to answer that.

Mr. KEEFE. Mr. Speaker, I think this is a very important question and one that should be clarified in the RECORD so that we may have an understanding as to just what the conferees have done. You will recall that the enabling legislation provides for the payment of ocean freight to be paid out of ECA funds. There are a large number of nonprofit organizations engaged in the business of sending relief packages abroad. Among them is CARE, Inc., which you all know about, and which General Clay said was doing one of the greatest works that any organization could possibly do to establish proper relations with the people in Europe. They have a unique method of distribution. They ship their food and other materials in bulk by ocean shipment to warehouses abroad, thus obtaining a very low ocean-freight rate on the bulk shipments. They assemble these packages over in the foreign countries and when an order comes in for a CARE package and payment is made here, that order is sent abroad and is filled in the country abroad. Thus, they

are able to get a lower ocean-freight rate than anybody else engaged in the business.

Now, the individual in your town and mine who is sending a package to a foreign country by parcel post has complained to you and to me that when he pays the established parcel-post rate the rate is so high that it sometimes is more than the value of the goods that he sends. The demand has been made upon you and me to try to get relief to the individual shipper of individual packages consigned to individuals in Europe. The only thing that is authorized to be paid to such an individual is the ocean-freight carriage under the basic law. That requires that the Administrator of ECA enter into an agreement with the Post Office Department by which the Post Office Department will accept individual parcel-post packages for shipment to individuals abroad and give to that individual a reduced parcel-post rate equivalent to the ocean-carriage freight on that individual package. That has been accomplished by virtue of the language in this bill—the exception that was written into it.

As to the argument that many concerns have gotten into this relief business for profit and are making money on the deal and want to obtain a subsidy of this ocean freight rate as provided in the ECA law, after some consideration some people felt that if you give a subsidy to these profit takers in that field you will have to raise the subsidy to CARE, because CARE gets, for example, a 2-cent rate, and, for the purposes of illustration, the other rate is 8 cents or 7.5 cents. If you gave the other people the benefit of the ocean rate by way of subsidy and CARE is able to ship at a 2-cent rate, the story was that that would hurt this great nonprofit organization. So the conferees agreed that they would leave the situation exactly as it is, leave CARE with its 2-cent rate, and would pay the lowest freight rate, so that all of the nonprofit organizations and profit organizations would be in the same classification, but proposed to give the benefit to the individual shipper.

Mr. DEVITT. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. DEVITT. What I am interested in finding out is if any of these private groups that are in the business of shipping packages overseas for profit are going to be able under the present provision of the conference report to get ECA funds to help defray the expenses of shipping the packages overseas?

Mr. KEEFE. In my opinion they will not be able to get anything, because their freight charges are much higher than those enjoyed by CARE.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. CASE of South Dakota. Is it not a fact that the language of the Senate amendment, which we accept with a proviso, provides for the payment of a uniform rate, so that they will get in cents or dollars the same amount per pound that CARE will get, but we pro-

vide that this limitation should not apply to shipments from individuals to individuals?

Mr. KEEFE. That is exactly right. Does that answer the gentleman's question?

Mr. CASE of South Dakota. The limitation does not apply from individuals to individuals, it lets individuals get whatever the cost may be determined by the Administrator to be.

Mr. DEVITT. Can the gentleman answer this question yes or no? May a private organization in business for profit use some of these funds in order to defray freight costs on these packages going overseas?

Mr. KEEFE. They cannot get any more than CARE gets.

Mr. DEVITT. I thank the gentleman.

Mr. KEEFE. CARE is on a very low bulk shipment rate that these people are not on, and it seems to me that you have language under which they cannot possibly get a subsidy.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CURTIS. What was done in reference to the funds for feeding children in occupied areas?

Mr. TABER. That was raised from \$20,000,000 which was the Senate figure to \$35,000,000, and it appeared from the testimony that was available to us that there was a \$12,000,000 balance, which made \$47,000,000, which is \$7,000,000 more than was available this year.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. STEFAN. Mr. Speaker, I regret that we were unable to keep the fund for feeding children in Europe to the figure allowed by the House which was the full amount requested. Your House committee kept in the full amount \$60,000,000 and the House voted to keep in the full amount. The Senate cut this amount to \$20,000,000 and your House committee was able to restore only \$15,000,000. In order to get some increase for feeding of children we had to compromise. I fought to the best of my ability to restore the amount requested by the United Nations International Children's Emergency Fund. The Senate, among some other reasons, cut the amount because it was believed some of the children of Communist parents may be getting some food from this relief program.

My stand on this matter is no contradiction.

The provision of \$60,000,000 for UNICEF is part of the Economic Cooperation Administration appropriations bill, fiscal year 1949. I have opposed—and I will continue to oppose—many of the expenditures called for in this bill. I never have—and I never will oppose—expenditures expressly earmarked to save the lives and guarantee the future of children.

By far the greater majority of the items in the ECA appropriation bill are not there because of any commitment of this Government. UNICEF is the result of an agreement between 21 nations, ap-

proved by the Senate, and an integral part of American foreign policy.

My conscience would never permit me to vote for the support of the multimillion-dollar tobacco monopolies of foreign socialist states. My conscience demands that I vote for the full continuance of the most efficient international group concerned with keeping the breath of life in children, regardless of the political affiliations of their parents.

The provisions of ECA which permit strategic war materials to sift through western European countries, united by trade treaties with Moscow, to the Soviet Union by devious and indirect routes—these I abhor and decry. I champion the direct dealings which UNICEF has had with eastern European countries, where their inspectors make sure that food and other necessities go to anti-Communist and Communist alike, where the only criteria of giving aid is that a child is in want.

This Congress has not been given any reason to extend unlimited confidence to ECA personnel. Too many of ECA's key men can only wear service stripes from defunct WPA and discredited UNRRA. Mr. Pace, Executive Director of UNICEF, is a Nebraskan. His integrity and ability are beyond question, and he is a field general rather than a swivel-chair autocrat. His staff, and the results of the downright hard work of his staff, are a credit to his talents and his efficient management.

It has been a habit of ECA propagandists to shame Members of Congress into voting for their pet projects by screaming that Europeans would feel let down if those projects were defeated. It is my well-defined purpose to work for the defeat of luxury-supplying projects, projects which add nothing to the possibility of eventual reconstruction and flagrantly waste the money of the American taxpayer. It makes no difference to me how much the European luxury-lover screams or how loudly the ECA propagandist howls.

It does make a difference to me that, somewhere in this world, there are children who cannot speak because they are hungry. It does make a difference to me that UNICEF, with necessary appropriation, could see to it that some of those children were fed.

Christ said: "Suffer the little children to come unto me."

Christ did not say: "Suffer the non-Communist children to come unto me and suffer the Communist children to stay away."

If one out of a hundred Communist children who might be fed by UNICEF learned that America was playing a big part in keeping them alive, that knowledge would prove an insurmountable barrier to communism. If one out of a hundred Communist children who might be fed UNICEF learned that they would not be fed because of an action of the Senate, this could well create a million future enemies of this Nation.

Mr. FULTON. Mr. Speaker, since title 2 of this bill providing \$60,000,000 was my amendment for the children, may I ask whether the fund is to be used for the relief of children wherever they may be?

Mr. STEFAN. Wherever they may be. Yes, sir. And that answers the gentleman's question.

Mr. FULTON. That is whether they are behind the iron curtain or in occupied areas or in countries that have been overrun.

Mr. STEFAN. It makes no difference. That is right.

Mr. FULTON. Mr. Speaker, will the gentleman yield to me?

Mr. TABER. I yield.

Mr. FULTON. Mr. Speaker, I hope the Congress will bear with me while we discuss for 1 minute the diet of 650,000 people for next year. It is worth 1 minute of our time. I had a minute and a half while this was on the floor before. As chairman of the Displaced Persons and Refugee Special Committee, I would like to hear about this, because I have disagreed with my worthy friend, the gentleman from New York [Mr. TABER]. I would like to hear how the displaced persons should be fed—whether they should simply be fed 1,550 calories, which the people that oppress them are fed, which the victors who had put them in concentration camps are fed, or are they going to be fed just a little more than 450 calories, which is below, much below, the average person's normal consumption. What has been done on that?

Mr. TABER. The way this has worked out, 60 percent of what is available of the \$70,000,000 is without restriction. The rest of it is only available in case that organization agrees that the caloric rations shall be limited to what is available in the country. Unless that is done, it is absolutely impossible ever to get these people out of the camps.

Mr. Speaker, I yield 15 minutes to the gentleman from Missouri.

Mr. CANNON. Mr. Speaker, this conference report represents a complete victory for the Senate program. It provides ample appropriations for the effective administration of the Marshall plan, now so successfully operated with the preliminary funds already provided. The report is highly satisfactory to the minority. We have all signed it and we urgently recommend its adoption.

But the proceedings attending the settlement of the disagreement between the House and Senate serve to lighten, with a happy spirit of levity, the monotonous grind attending the closing days of the session.

The majority managers on the part of the House, after sabotaging the program for foreign aid, by cutting the appropriation of approximately \$2,000,000,000, found themselves in an uncomfortable position as soon as the Senate announced its amendments. From that time down to tonight there has been a wild foot race upon the part of the House conferees, in a scurrying search for a loophole through which to escape from the trap in which they had snared themselves.

There were two primary differences between the two Houses.

One was the amount of the appropriation and the other was the date to which the appropriation would be available—determining whether the appropriation would be spread over a period of 12

months, as originally provided, or over a period of 15 months, as the House managers insisted. In short the question was whether the money would suffice for 12 months or 15 months. Of course, the change in date was merely a subterfuge. It was a device to cut the amount available by 20 percent, instead of cutting the appropriation in so many words. All familiar with the program agree that such a drastic cut would make the bill a bare relief measure and abandon the recovery features upon which the principal success of the program depends.

In their efforts to save face, the majority Members clung to that date throughout the conference like shipwrecked sailors to an empty barrel. And they finally saved the date.

But they sacrificed everything else to retain it and then find it meaningless as the Senate amendment as adopted authorizes the President to ignore it. In other words, this report amounts to a complete recapitulation to the Senate program.

In their desperate efforts to find some device which would conceal the fact that they were making every concession, they agreed that the money should be spent in 12 months, instead of 15 months, "if the President * * * deems such action necessary."

That amounts to a complete surrender as the President has already recommended the use of the entire appropriation in 12 months. So the verbiage of the agreement is simply a smoke screen resorted to to conceal the fact that they were yielding abjectly and completely. The language insures the expenditure of the appropriation as originally planned.

But their endeavor to escape the consequences of their rash attempt to hamstring the Marshall plan involves a matter of even deeper significance—the independence of the legislative branch of the Government.

The proposal to thus delegate to the President of the United States legislative functions of the Congress amounts to an abdication of constitutional authority in favor of the Chief Executive. It is a transfer of power and duties from the legislative branch of the Government to the executive branch of the Government. And to that extent it is in effect an abandonment of the rights and prerogatives so jealously maintained by able and eminent Members of both the House and the Senate ever since the adoption of the Constitution. That is an appalling price to pay to extricate the House conferees from the consequences of their folly.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does not the gentleman consider that as a compliment to the President and as an expression of confidence in the President?

Mr. CANNON. They could have paid him no greater compliment. They could have written no more eloquent testimonial of the confidence Congress places in the President than this action by which they propose to delegate to him the dis-

charge of duties vested in the Congress by the Constitution of the United States.

Mr. ISACSON. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. ISACSON. I wish to ask the gentleman whether after the amendments changing some of the appropriations, the specific appropriation to Great Britain of \$1,200,000,000 with which to arm the hordes of King Abdullah of Transjordan, Syria, Lebanon, and Egypt remains intact?

Mr. CANNON. I leave that to the chairman of the committee who is explaining the technicalities of the bill.

Mr. Speaker, the situation would be comic if it were not tragic. We have delayed this bill unnecessarily. It should have been enacted long ago. The world has been waiting to learn what America proposes to do. They have been waiting to know if we intend to carry out our commitments as embodied in the authorization bill which passed both Houses of Congress by such overwhelming majorities.

While the world has been waiting—while international relations have been deteriorating—while Russia has been gaining in prestige and military strength—while our friends over there have been losing heart—we have been quibbling. And now we wind up by adopting the bill in practically the form first presented. Why did we not do it before this and help our friends and confound our enemies and merit the respect of the world and future generations?

The future peace of the world, the hope of halting the march of communism around the globe, depend on strengthening our allies in western Europe to a point where they can withstand Russian pressure.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. This bill merely shows, with the passage of the draft bill earlier this evening, that the power of America is going to be used determinedly for good and to assist freedom-loving nations throughout the world in resisting tyranny and aggression. This is one of the most important bills that is to pass the Congress, and I think there ought to be a roll-call vote on this bill on passage, and at the proper time I am going to ask for a roll-call vote.

Mr. CANNON. I heartily agree with the gentleman. No more important bill has been considered by the House in recent years. At the suggestion of the gentleman I shall ask for a record vote.

The bill carries funds to fully administer the Marshall plan. It is a part of our rearmament program, a measure for national defense. Every minority member of the committee of conference has signed the conference report. For the sake of its influence on our foreign relations, both friend and foe, I trust the conference report, so ably dictated by the Senate, will have the unanimous approval of every Member of the House.

Mr. TABER. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Illinois.

Mr. BUSBEY. Mr. Speaker, I want to concur in the words of the gentleman from Massachusetts [Mr. McCORMACK], with regard to a roll-call vote on this measure. I am sure the proponents of this bill are just as anxious to be recorded as those of us who are in opposition to the bill and in all fairness to everyone I think we should have a roll-call vote on this bill and I hope the committee will insist on it.

Mr. KEEFE. Mr. Speaker, I do not intend to delay the Members on final vote upon this conference report. But I think it is unfortunate that we should leave the statement with respect to this conference report with a sour note. The gentleman from Missouri sat all through this very arduous conference. I did not hear him make any suggestions during the conference. We struggled long and hard to come to an agreement and to try to iron out differences that seemed almost insoluble when we started, and that is the duty of the conference committee. When we had concluded that conference, of which the gentleman from Missouri was a party, he signed the conference report, and it was unanimous. Every Member signed the conference report on both sides of the aisle. It would have been much better for anyone who is interested in this program to have devoted some time in explaining some of the provisions in the conference report more minutely, perhaps, than to attempt to cast aspersions upon the chairman of the Committee on Appropriations, who has made a most gallant fight to bring the facts to the attention of the American people. You people will live to see the day when the people of America will pay tribute to the gentleman from New York, JOHN TABER, for the courageous fight that he has made under the most difficult conditions to get the truth to the American people. How many people in America are there tonight who know that when this Congress passed this bill, this legislative authority, that they wrote into that law, "Nothing in this title is intended, nor shall it be construed, to be an express or implied commitment to provide any specific assistance, whether for funds, commodities, or services, to any country or countries."

And, it was the language written into the bill by the Senate Foreign Relations Committee and the House Committee on Foreign Affairs, and yet the people of America have been told, as has been stated by the gentleman from Missouri here tonight, that there was a commitment when that bill was passed to not cross a "t" or dot an "i" or examine a single estimate by the Committee on Appropriations. Shame, tommyrot on such an argument.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the distinguished gentleman from Minnesota who

is a member of the Committee on Foreign Affairs and who helped write this bill.

Mr. JUDD. I should like to say that when the ERP authorization bill came to the House Committee on Foreign Affairs, it was an open-end bill with very few limitations and without the language the gentleman from Wisconsin has just read. The committee carefully prepared the language and wrote it in on my motion, for the express purpose of preventing anyone from taking the authorization as a promise. One of the members of the minority moved to strike out the word "funds" from the amendment and the House committee voted to retain it.

In all the news stories and columns that have appeared chastizing the Committee on Appropriations and this House for allegedly breaking a commitment, I have seen no mention of the plain language of the law itself that "nothing in this title is intended nor shall it be construed to be an express or implied commitment to provide any specific assistance whether of funds, commodities, or services, to any country or countries." It is not the figures of the gentleman's committee that are irresponsible; it is those who have taken it upon themselves to write or speak about this matter without even reading the law.

As the gentleman knows, I voted against these so-called cuts on every occasion, because I thought the psychological effect would be bad and I preferred to err on the side of too much rather than too little when the stakes are so great. So nobody can accuse me of trying to deny adequate funds for ECA. But I resent intensely the completely irresponsible and misleading propaganda and misrepresentations of the committee's action over the radio and in the press, and the equally inaccurate charges by the President and various candidates for the Presidency. They are either ignorant of or have chosen to ignore the plain language of the law, of the committee report, and numerous statements made in the debate in both Houses setting forth the clear intention of the Congress.

Furthermore such loose talk has been thoroughly mischievous to the interests of the United States. It was to be expected that the Communist press in Paris or Rome would charge that we were letting down our friends. Most Europeans would not believe them. But what are they to think when prominent American newspapers and officials make charges that the United States is breaking faith? If damage has been done it is due more to misrepresentations by people who ought to know better, than to the actions themselves if examined soberly.

I want to pay tribute to your committee and your chairman the gentleman from New York [Mr. TABER] for sticking to the facts despite all the abuse heaped on you. I opposed some of the so-called reductions you made even though the economic facts you had might justify them, because I feared they might jeopardize the success of the program

through weakening the confidence of some European countries.

But I knew that your committee had many more facts available to it than we had in the Committee on Foreign Affairs at the time when we were considering the enabling legislation last winter before anyone could know what kind of a growing season Europe would have this year, and a dozen other important factors.

At that time there was an attempt to cut down the authorization as everyone will recall. Many of us resisted it, urging that a maximum be set high enough to take care of any probable emergency; let it be high enough to provide a cushion. Then if Europe should have good crops and other favorable developments, the gentleman's committee could cut down the next appropriation accordingly. That is exactly what you did on the basis of the evidence you had in June and which we could not have in March.

Your committee would have been derelict in its duty if it had not carefully scrutinized the facts and held the amount down to what you deemed necessary to carry on the program successfully. I am willing to predict that the amount of money you have provided cannot be well used in less than the 15 months, although you have rightly made it available for 12 months if it proves necessary and if they get the program going so that they can use it effectively.

In short, you did not break a commitment, for no commitment had been made. You did not go back on the word of the United States. You did not fail to carry out any agreement or promise made by the Congress. You did not reverse a policy. What you did was to change the figure, which the more recent facts indicated to you was necessary to carry out the policy voted by the Congress. I congratulate the committee.

Mr. KEEFE. I thank the distinguished gentleman from Minnesota for that very lucid and splendid contribution to the thinking on this subject.

Mr. Speaker, we worked hard on this bill. We should not be abused and castigated by anyone who is a member of the conference committee that signed the conference report. That should not be. We came here in full agreement on this conference report. We came here presenting a solid front to say to the world, "We are united on this thing now, and here is the action of the Congress of the United States."

Let me call your attention to this. I think we have taken a great step forward. Everybody who is familiar with the language we have written into this bill to iron out the differences between the House and the Senate knows that we have taken a great step forward, because those who know the facts, instead of those who are just emotionally inspired politically, realize that the ECA will not be able effectively to spend the amount of money we have given it by April 3, 1949. So we have left the door open and we have said to the ECA administration, "Do not throw this money away. You are not forced to get rid of this money by the 3d of April. You can take until the 30th of June. Make a decent, proper screening of the necessities before you

spend this money. If you take a little more time, the impact upon the economy of America with its resultant inflation may not be so great as though you were forced under the original action of the other body to spend the entire amount by April 3, 1949."

Everybody agrees that the action that finally resulted as a result of this conference makes available every single dollar, the entire \$4,000,000,000, but we say to the Administrator, "Use some judgment in spending this money, and if you have any money that is unexpended by the 3d of April you may continue the availability of those funds until the 30th day of June."

If that is not good, common sense, then I think the gentleman from Missouri is the only man on the floor of this House or in the Senate or among the conferees that has offered even the slightest objection to the action the conference unanimously agreed upon.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to my distinguished colleague on the committee.

Mr. CASE of South Dakota. At that point, in connection with the rate of commitment, it might be well to point out that at the present rate of commitment the ECA will probably by the end of this month not have committed as much as \$450,000,000, which would be the average rate of the original request on a 12-month basis.

Mr. KEEFE. Exactly. They have obligated only \$300,000,000. Let me call your attention to this. The gentleman from Missouri said that we have delayed and delayed this thing. He seems to forget that the original law gave to the ECA administration \$1,000,000,000, and they have been operating on it. The last word that I have had is that they have only been able to obligate \$300,000,000 of the billion dollars. They have plenty of money to lend. They have this money yet without any additional funds. There has been no delay in this program. The Congress saw to it when it passed the basic legislation.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Ohio.

Mr. VORYS. As I understand it, there is a \$503,000,000 reduction in this appropriation below the budget estimates, and the report recommending this reduction in such appropriations was signed by all the conferees, including the minority members.

Mr. CASE of South Dakota. It should be borne in mind that the \$503,000,000 applies to all of the various items on foreign aid in the bill and is not limited to ECA.

Mr. KEEFE. That is exactly what I want to say. The total reduction is not specifically limited to the ECA program proper, because this bill contains a large number of other items, as you well know, other than those included in the program.

There is an over-all reduction in the total amount of substantially that amount, and the gentleman from Missouri signed the conference report, and it is a unanimous report. Why should

we have any more argument about this situation?

DIFFICULT DECISION

Mr. KLEIN. Mr. Speaker, the vote on this conference report presents to me, at this late hour, a most difficult decision.

I am opposed to the granting of any subsidies or loans or credits to Great Britain as long as that country pursues its present anti-American, antidemocratic course, as long as Great Britain continues to encourage Arab aggression against Israel, as long as Great Britain continues to carry on a two-faced policy of world exploitation.

I am equally opposed to cutting funds for the Economic Administration's work in Europe proper.

If I voted for the European recovery program with a certain skepticism, aside from my opposition to continuing to follow in the perfidious footsteps of Great Britain and sharing her world guilt, at least I believe that ECA should have the funds to work with to try to make the plan a success.

This is a characteristic Republican procedure—to grant funds just far enough below the efficiency level to insure failure of any agency to achieve a true level of efficiency. It is part of the ridiculous paradox of Republican claims to economy; it is a wasteful and extravagant fiscal policy.

Nevertheless, Mr. Speaker, to vote against the report is to vote for chaos, and that I cannot do. With reluctance, and impelled only by the exigencies of the international situation and the fact that we cannot hope for anything better, I shall vote to adopt the report.

Mr. BENNETT of Missouri. Mr. Speaker, I shall vote for the pending conference report on foreign aid with greatest of misgivings but it is the only rational course to follow at this point.

I opposed authorization of this program for what I still regard as good reasons, stated to the House at the time. The program was authorized, however, and became at once recognized throughout the world as our foreign policy. I believe in a bipartisan foreign policy although I reserve the right to differ on its details and to oppose any of these phases of its development which I regard as dangerous or unsound. Once agreed upon and authorized by Congress, however, we must close our ranks and present a united front to the world. Much of that world, the free part of it, depends upon us. It has been having a hard time keeping up with the variations in our foreign policy, due to inept administration of it. Congress cannot afford and must not at this hour add to that confusion by rejecting this appropriation to implement a policy it has previously authorized. The course to follow now is to watch to see that the funds we provide are spent with a proper regard for our own welfare as well as of that of those we seek to help abroad. It might well be added that some of the funds in the conference report are to support our occupation of enemy territories until the peace treaties are concluded. There can be no good, patriotic reason for not supporting the job our armed forces are doing in that regard.

I did not speak awhile ago on the selective service bill which will draft young Americans for 21 months of military service in peacetime. I voted against it. How can we in peacetime, in absence of a great military crisis, adopt such a policy conscripting our youth when UMT calls only for one year of training and most of the boys in World War II had less training than that?

If I was convinced the national security required it I would support the bill. But we are not undefended. We have the biggest standing Army in our peacetime history, 1,500,000 men. We have authorized a 70-group air force, and I voted for it. We have a Navy bigger than all of the other navies of the world combined. Most of our expenditures are for defense. The armed services, as the debates showed, have deliberately discouraged volunteer enlistments, the National Guard and the Reserves, in order to get a peacetime draft, to militarize America. If we need such legislation to meet an emergency Congress can set it up at any time. I favor a national training program but not one such as this which will discourage education, will not apply equally to all and which makes no effort to take the profits out of war or put the munitions makers under laws which will separate iron, blood, and profits, dealt in by the merchants of death who have propagandized this Congress and country for this legislation in peacetime after we have just gone through a war allegedly to put an end to such things.

Mr. TABER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 318, nays 62, not voting 50, as follows:

[Roll No. 126]

YEAS—318

Abbott	Burleson	Delaney
Abernethy	Butler	Devitt
Albert	Byrne, N. Y.	D'Ewart
Allen, Calif.	Brynes, Wis.	Dingell
Andersen,	Camp	Dirksen
H. Carl	Canfield	Dolliver
Anderson, Calif.	Cannon	Domengeaux
Andrews, Ala.	Carroll	Dondero
Angell	Carson	Donohue
Arends	Case, N. J.	Dorn
Auchincloss	Case, S. Dak.	Douglas
Bakewell	Celler	Durham
Barrett	Chadwick	Eberhart
Bates, Ky.	Chapman	Elliott
Bates, Mass.	Cheif	Ellsworth
Battle	Chenoweth	Elsaesser
Beall	Clason	Elston
Beckworth	Coffin	Engel, Mich.
Bell	Cole, Kans.	Engle, Calif.
Bennett, Mo.	Cole, N. Y.	Evins
Blackney	Combs	Fallon
Blatnik	Cooley	Feighan
Bloom	Cooper	Fellows
Boggs, La.	Corbett	Fenton
Bolton	Cotton	Fernandez
Bonner	Courtney	Fisher
Boykin	Cravens	Flannagan
Bradley	Crosser	Fletcher
Bramblett	Crow	Fogarty
Brehm	Cunningham	Folger
Brooks	Curtis	Foot
Brophy	Dague	Forand
Brown, Ga.	Davis, Ga.	Fuller
Bryson	Davis, Tenn.	Fulton
Buchanan	Davis, Wis.	Gamble
Buck	Dawson, Utah	Garmatz
Burke	Deane	Gary

Gathings	Kilburn	Potts
Gavin	Kilday	Poulson
Gearhart	King	Preston
Gillette	Kirwan	Price, Fla.
Goff	Klein	Price, Ill.
Goodwin	Kunkel	Priest
Gordon	Lanham	Rains
Gore	Latham	Ramey
Gorski	Lea	Rayburn
Gossett	LeCompte	Redden
Graham	LeFevre	Rees
Grant, Ala.	Lesinski	Reeves
Grant, Ind.	Lichtenwalter	Richards
Gregory	Lodge	Riehlman
Gwinn, N. Y.	Lucas	Riley
Gwynne, Iowa	Lusk	Rockwell
Hagen	Lynch	Rogers, Fla.
Hale	McConnell	Rogers, Mass.
Hall,	McCormack	Rohrbough
Leonard W.	McCulloch	Rooney
Halleck	McDonough	Ross
Hand	McDowell	Russell
Hardy	McMahon	Sadlak
Harless, Ariz.	McMillan, S. C.	St. George
Harris	McMillen, Ill.	Sarbacher
Harrison	Mack	Sasser
Hart	MacKinnon	Scoblick
Harvey	Madden	Scott, Hardie
Havener	Mahon	Seely-Brown
Hébert	Maloney	Sheppard
Hedrick	Manasco	Sikes
Hendricks	Mansfield	Simpson, Ill.
Herter	Meade, Ky.	Smathers
Heseltun	Meade, Md.	Smith, Va.
Hess	Merron	Smith, Wis.
Hill	Meyer	Snyder
Hinshaw	Michener	Somers
Hobbs	Miller, Calif.	Spence
Hoeven	Miller, Conn.	Stanley
Holifield	Miller, Md.	Stefan
Holmes	Mills	Stevenson
Hope	Mitchell	Sundstrom
Horan	Monroney	Taber
Huber	Morgan	Talle
Jackson, Calif.	Morrison	Taylor
Jackson, Wash.	Morton	Teague
Jarman	Muhlenberg	Thomas, Tex.
Javits	Multer	Thompson
Jenkins, Pa.	Mundt	Tibbott
Jennings	Murray, Tenn.	Toilefson
Jensen	Murray, Wis.	Towe
Johnson, Calif.	Nicholson	Trimble
Jones, Ala.	Nixon	Van Zandt
Jones, N. C.	Nodar	Vinson
Jones, Wash.	Norblad	Vorys
Jonkman	Norrell	Wadsworth
Judd	O'Brien	Walter
Karsten, Mo.	O'Toole	Weichel
Kean	Pace	Wheeler
Kearney	Patman	Whitaker
Kearns	Patterson	Whitten
Keating	Peterson	Whittington
Kee	Pfeifer	Wigglesworth
Keefe	Philbin	Williams
Kefauver	Phillips, Calif.	Wilson, Tex.
Keiley	Phillips, Tenn.	Winstead
Kennedy	Pickett	Wolcott
Keogh	Plumley	Wolverton
Kerr	Poage	Worley
Kersten, Wls.	Potter	

NAYS—62

Allen, Ill.	Hoffman	Ploeser
Andersen,	Hull	Rankin
August H.	Isacson	Reed, Ill.
Arnold	Jenison	Reed, N. Y.
Banta	Jenkins, Ohio	Rich
Barden	Johnson, Ill.	Rizley
Bennett, Mich.	Johnson, Ind.	Sadowski
Bishop	Landis	Sanborn
Busbey	Larcade	Schwabe, Mo.
Chiperfield	Lewis, Ohio	Schwabe, Okla.
Church	McCown	Scrivner
Clevenger	McGregor	Shafer
Clippinger	Marcantonio	Short
Cole, Mo.	Martin, Iowa	Smith, Kans.
Crawford	Mason	Smith, Ohio
Doughton	Mathews	Twyman
Ellis	Miller, Nebr.	Vail
Gillie	Morris	Vursell
Griffiths	O'Hara	Wilson, Ind.
Gross	O'Konski	Wood
Harness, Ind.	Passman	Youngblood

NOT VOTING—50

Allen, La.	Bulwinkle	Granger
Andrews, N. Y.	Clark	Hall,
Bender	Colmer	Edwin Arthur
Bland	Coudert	Hartley
Boggs, Del.	Cox	Hays
Brown, Ohio	Dawson, Ill.	Heffernan
Buckley	Eaton	Johnson, Okla.
Buffett	Gallagher	Johnson, Tex.

Knutson	Norton	Smith, Maine
Lane	Peden	Stigler
Lemke	Powell	Stockman
Lewis, Ky.	Regan	Stratton
Love	Rivers	Thomas, N. J.
Ludlow	Robertson	Welch
Lyle	Sabath	West
McGarvey	Scott,	Woodruff
Macy	Hugh D., Jr.	
Murdock	Simpson, Pa.	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Heffernan for, with Mr. Powell against.

Additional general pairs:

Mr. Hartley with Mr. Lane.

Mr. Welch with Mr. Lyle.

Mr. Brown of Ohio with Mr. Colmer.

Mr. Macy with Mr. Hays.

Mr. Thomas of New Jersey with Mr. Rivers.
Mr. Simpson of Pennsylvania with Mr. Stigler.

Mr. Knutson with Mr. Murdock.

Mr. Coudert with Mr. Cox.

Mr. Boggs of Delaware with Mr. Buckley.

Mr. Gallagher with Mr. Johnson of Texas.

Mr. Lemke with Mr. Regan.

Mr. McGarvey with Mr. Granger.

Mrs. Smith of Maine with Mrs. Norton.

Mr. Edwin Arthur Hall with Mr. Peden.

Mr. Eaton with Mr. Dawson, Ill.

Mr. Hugh D. Scott, Jr., with Mr. Sabath.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on the conference report just prior to the motion for the previous question.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SECOND DEFICIENCY APPROPRIATION BILL, 1948

Mr. TABER submitted the following conference report and statement on the bill (H. R. 6935) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6935) "making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 17, 23, 40, 50, 51, 58, 74, 75, 85, and 86.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 19, 20, 21, 22, 24, 27, 30, 32, 33, 35, 36, 37, 38, 39, 43, 44, 45, 48, 52, 53, 55, 57, 59, 61, 63, 64, 65, 67, 68, 70, 71, 72, 73, 76, 77, 78, 79, 80, 82, and 83, and agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: After the citation "(5 U. S. C. 55a)", appearing in the matter inserted by said amendment, strike out the following: "deposits in the Treasury for penalty mail (39 U. S. C.

321d);" and in lieu of the sum of "\$3,500,000" named in said amendment, insert the following: "\$2,000,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"National Institute of Health, operating expenses: For an additional amount, fiscal year 1949, for 'National Institute of Health, operating expenses', \$500,000: *Provided*, That appropriations under said head for the fiscal year 1949 shall be available for carrying out the purposes of the National Heart Act, including erection of temporary structures for storage of equipment and supplies and housing of animals."

And the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum of "\$2,000,000" named in said amendment, insert the following: "\$1,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: Before the words "passenger motor vehicles" in said amendment, strike out the word "ten" and insert the following: "five" and in lieu of the sum of "\$10,000,000" named twice in said amendment insert in each instance the following: "\$5,000,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum of "\$5,000,000" named in said amendment, insert the following: "\$3,000,000" and in lieu of the sum of "\$200,000" named in said amendment, insert the following: "\$100,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum of "\$2,000,000" named in said amendment, insert the following: "\$1,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"SELECTIVE SERVICE SYSTEM"

"Salaries and expenses: For expenses necessary, fiscal year 1949, to carry out the provisions of H. R. 6401 or S. 2655, Eightieth Congress, establishing the Selective Service System, including personal services in the District of Columbia; not to exceed \$5,000 for expenses of attendance at meetings of organizations concerned with the purposes of this appropriation when specifically authorized by the Director; purchase (not to exceed 94) of passenger motor vehicles; printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); and purchase of typewriters; \$25,000,000: *Provided*, That this paragraph shall be effective only upon the enactment into law of either H. R. 6401 or S. 2655, Eightieth Congress."

And the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

After the word "available" where it appears in said amendment, insert the follow-

ing: "until June 30, 1949,"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$7,500"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$425,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: After the words "administrative expenses" where they appear in said amendment, insert "(not to exceed 4 per centum of the total amount of loans made)".

And at the end of the paragraph before the period, insert ": *Provided*, That no such loan shall be made unless no other source of public or private credit is available".

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum of "\$450,000" named in said amendment, insert the following: "\$225,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: After the citation "(5 U. S. C. 55a)", appearing in said amendment and following the semicolon, strike out the following: "health service program as authorized by law (5 U. S. C. 150);" and in lieu of the sum of "\$2,480,000" named in said amendment, insert the following: "\$1,800,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$3,500,000"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$300,000"; and the Senate agree to the same.

Amendment Numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum of "\$150,000" named in said amendment, insert the following: "\$100,000" and in lieu of the sum of "\$194,000" named in said amendment, insert the following: "\$192,000"; and the Senate agree to the same.

Amendment Numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows: At the end of the matter inserted by said amendment, insert the following: "or quantity"; and the Senate agree to the same.

Amendment Numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: After the sum of "\$60,000" named in said amendment and the comma, insert the following: "to be reimbursable and"; and the Senate agree to the same.

Amendment Numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree

to the same with an amendment, as follows: In lieu of the sum of "\$2,000,000" named in said amendment, insert the following: "\$1,000,000"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows: In lieu of the sum of "\$400,000" named in said amendment, insert the following: "\$300,000"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Sec. 401. The Secretary of Defense is authorized and directed, whenever in his judgment the best interests of the United States so require, to direct the insertion of a clause incorporating the Renegotiation Act of 1948 in any contracts for the procurement of ships, aircraft, aircraft parts, and the construction of facilities or installations outside continental United States entered into by or in behalf of the Department of the Army, the Department of the Navy or the Department of the Air Force which obligates any funds made available for obligation in the fiscal year 1949."

And the Senate agree to the same.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,

Managers on the Part of the House.

STYLES BRIDGES,
CHAN GURNEY,
C. WAYLAND BROOKS,
JOSEPH H. BALL,
KENNETH MCKELLAR,
CARL HAYDEN,
MILLARD E. TYDINGS,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6935) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendments Nos. 1-13: Make appropriations for the United States Senate, as proposed by the Senate, except the payment of a claim is denied.

Amendment No. 14: Appropriates \$2,000,000 for the Displaced Persons Commission instead of \$3,500,000 as proposed by the Senate.

Amendments Nos. 15 and 16: Appropriate \$500,000 for the National Institute of Health instead of \$1,000,000, as proposed by the Senate. The amounts specified in the Senate committee report on such item are also reduced in half.

Amendment No. 17: Strikes out an appropriation of \$100,000 for the National Institute of Health, proposed by the Senate.

Amendment No. 18: Appropriates \$1,000,000 for a working capital fund instead of \$2,000,000, as proposed by the Senate.

Amendments Nos. 19 and 20: Appropriate \$275,000 for the Federal Works Agency, as proposed by the Senate.

Amendment No. 21: Appropriates \$1,000,000 for improvement of post-office facilities, as proposed by the Senate.

Amendment No. 22: Extends availability of an appropriation until June 30, 1949.

[PUBLIC LAW 793—80TH CONGRESS]

[CHAPTER 685—2D SESSION]

[H. R. 6801]

AN ACT

Making appropriations for foreign aid, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for foreign aid for such periods as are specified herein ending not later than June 30, 1949, and for other purposes, namely:

TITLE I

ECONOMIC COOPERATION

For expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948 (title I of Public Law 472, approved April 3, 1948) until June 30, 1949: *Provided*, That the entire amount may be apportioned for obligation or may be obligated and expended, if the President, after recommendation by the Administrator, deems such action necessary to carry out the purposes of said Act, during the period ending April 2, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation (not to exceed \$60,000); purchase (not to exceed fifty including one at not to exceed \$3,000) and hire of passenger motor vehicles; hire of aircraft; payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); health service program as authorized by law (5 U. S. C. 150); rents in the District of Columbia; transportation of privately owned automobiles; entertainment (not to exceed \$50,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$4,000,000,000, of which not to exceed \$200,000 shall be available for expenditures of a confidential character (other than entertainment) under the direction of the Administrator or the Deputy Administrator, who shall make a certificate of the amount of each such expenditure which he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the amount therein certified; and of which such amount as may be necessary but not to exceed \$20,000,000 shall be available for assistance to the Free Territory of Trieste or either of its zones under the provisions of Public Law 389, Eightieth Congress, first session, until the Free Territory of Trieste or either of its zones becomes eligible for assistance under the Economic Cooperation Act of 1948, which amount shall be charged with any advances made heretofore by the Reconstruction Finance Corporation pursuant to section 103 (b) of the Economic Cooperation Act of 1948, and the Administrator is hereby authorized to repay the Reconstruction Finance Corporation for advances pursuant to section 103 (b) from the sum available for assist-

ance to Trieste or either of its zones under this section: *Provided further*, That not less than 5 per centum of each special local currency account established pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948 shall be allocated to the use of the United States Government for expenditure for strategic materials where available or for other local currency requirements of the United States of America: *Provided further*, That allocations of funds provided pursuant to provisions of the Economic Cooperation Act of 1948 for Austria and any country under occupation by forces of the United States shall be made to the United States Military Government of such countries for administrative and other expenses: *Provided*, That where the Economic Cooperation Administrator requests the United States military authorities to perform certain functions under the Act, the Economic Cooperation Administrator shall reimburse the military authorities for administrative expenses incurred in the performance of such functions: *Provided further*, That not to exceed \$58,000,000 may be expended for administrative and other expenses including not to exceed \$12,000,000 for direct administration and not to exceed \$6,000,000 for technical assistance authorized under section 111 (a) (3) of the Economic Cooperation Act of 1948: *Provided further*, That pursuant to section 117 (c) of the Foreign Assistance Act of 1948, the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That guaranties of investments in enterprises producing or distributing informational media provided for under section 111 (b) (3) of the Economic Cooperation Act of 1948, or otherwise, shall not exceed \$10,000,000 in the first year: *Provided further*, That there shall be included within the local currency administrative expenditures of the United States such sums as may be necessary to meet expenditures of members and staff of the Joint Committee on Foreign Economic Cooperation in the course of performance of committee functions within respective participating countries. •

INTERNATIONAL CHILDREN'S EMERGENCY FUND

To enable the President during the fiscal year 1949 to carry out the provisions of the International Children's Emergency Fund Assistance Act of 1948 (title II of Public Law 472, approved April 3, 1948), \$35,000,000.

ASSISTANCE TO GREECE AND TURKEY

For an additional amount for "Assistance to Greece and Turkey", as authorized by the Act of May 22, 1947 (Public Law 75) as amended and supplemented by the Greek-Turkish Assistance Act of 1948 (title III of Public Law 472, approved April 3, 1948), \$225,000,000, which, together with the amount heretofore appropriated under this head, shall remain available until June 30, 1949; and the limitation under this head in the Supplemental Appropriation Act, 1948, on the amount available for administrative expenses, is increased from "\$4,500,000"

to "\$4,900,000", and the limitation under said head on the amount available for such expenses in the District of Columbia is increased from "\$300,000" to "\$400,000": *Provided*, That said limitations shall apply only to the administrative expenses of the Department of State: *Provided further*, That any funds heretofore or hereafter allocated under authority contained in section 2 (a) of the Act of May 22, 1947 (Public Law 75), as amended, shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, or independent establishment to which allocated, but this proviso shall not operate to increase the limitation heretofore provided for administrative expenses.

ASSISTANCE TO CHINA

For expenses necessary to carry out the provisions of the China Aid Act of 1948 (title IV of Public Law 472, approved April 3, 1948), until April 2, 1949, including expenses of attendance at meetings concerned with the purposes of this appropriation; purchase and hire of passenger motor vehicles; purchase, maintenance, and operation of aircraft; payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 921); health service program as authorized by law (5 U. S. C. 150); transportation of privately owned automobiles; entertainment (not to exceed \$3,000); exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; \$400,000,000, of which not to exceed \$1,200,000 shall be available for administrative expenses and of which \$125,000,000 shall be available exclusively as provided in subsection 404 (b) of said Act.

NATIONAL MILITARY ESTABLISHMENT

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

GOVERNMENT AND RELIEF IN OCCUPIED AREAS

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government or occupation of certain foreign areas, including personal services in the District of Columbia and elsewhere and, subject to such authorization and limitations as the Secretary of the Army may prescribe, not to exceed \$220,000 may be available for tuition, personal allowances (not to exceed \$10 per day), travel expenses (not to exceed those authorized for like United States military or civilian personnel), and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of \$50 per day and travel expenses for individuals; translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; expenses incident to the operation of schools for American children; printing and binding; hire of passenger motor vehicles and aircraft; repair and maintenance of buildings, utilities, facilities, and appurtenances; contingencies for the United States com-

manders of foreign areas, to be expended in their respective discretions (not exceeding amounts authorized or approved by the Secretary of the Army); such minimum supplies for the civilian populations of such areas as may be essential to prevent starvation, disease, or unrest, prejudicial to the objectives sought to be accomplished, and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; \$1,300,000,000, of which not to exceed \$55,000,000 shall be available for administrative expenses: *Provided*, That when military personnel of the Department of the Army are employed primarily for the purposes of this appropriation, the mileage and other travel allowances to which they may be entitled shall be paid herefrom: *Provided further*, That the general provisions of the appropriation Act for the fiscal year 1949 for the military functions of the Department of the Army shall apply to this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States, when necessary to carry out its purposes, without regard to sections 355, 1136, 3648, and 3734, Revised Statutes, as amended, civil-service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures from this appropriation may be made, when necessary to carry out its purposes, without regard to section 3709, Revised Statutes, as amended, and the Armed Services Procurement Act of 1947 (Public Law 413, Eightieth Congress): *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in Japan, Korea, and the Ryukyus in such manner as to be consistent with the general objectives of the Economic Cooperation Act of 1948: *Provided further*, That funds appropriated hereunder and unexpended at the time of the termination of occupation by the United States, of any area for which such funds are made available, may be expended by the President for the procurement of such commodities and technical services, and commodities procured from funds herein or heretofore appropriated for government and relief in occupied areas and not delivered to such an area prior to the time of the termination of occupation, may be utilized by the President, as may be necessary to assist in the maintenance of the political and economic stability of such areas: *Provided further*, That before any such assistance is made available, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of such purposes: *Provided further*, That such agreement shall, where applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, 80th Congress): *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as prescribed by the Secretary of the Army, to pay ocean transportation charges from United States ports, including territorial ports, to ports in Japan, Korea, and the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign

Aid or of relief packages consigned to individuals residing in such countries: *Provided further*, That under the rules and regulations to be prescribed, the Secretary of the Army shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to Japan, Korea, or the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *And provided further*, That the Joint Committee on Foreign Economic Cooperation established pursuant to provisions of section 124 (a) of the Economic Cooperation Act of 1948 shall have the same duties, powers, and responsibilities with respect to programs carried out by appropriations for Government and Relief in Occupied Areas as it has with respect to programs under the Economic Cooperation Act of 1948.

DEPARTMENT OF STATE

INTERNATIONAL ACTIVITIES

United States participation in international organizations: For expenses necessary for United States participation in international organizations, including payment of the annual contributions, quotas, and assessments, and costs of permanent United States representation to such organizations, in not to exceed the respective amounts as follows:

International Refugee Organization (Public Law 146, Eightieth Congress), \$70,710,228, of which amount \$70,643,728 shall be available for contribution: *Provided*, That not to exceed 60 per centum of the funds appropriated herein shall be available for contribution to the International Refugee Organization until such time as there are effected agreements providing for a caloric diet for the occupants of refugee camps in Europe that is no higher than that prevailing in the country in which such camps are located.

TITLE II—GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this title shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to

strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence, and accepts employment the salary or wages for which are paid from any appropriation contained in this title shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 202. No funds made available under the authority of this Act shall be used for the purchase in bulk of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to Act of July 1, 1941 (55 Stat. 498), as amended), at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment: *Provided*, That no funds available under this Act shall be used for the purchase of wool other than from existing stocks owned by the Commodity Credit Corporation, unless or until such stocks are exhausted.

SEC. 203. No part of the funds herein appropriated shall be used to purchase farm machinery, including tractors, in the United States in an amount which will bring the total exports of such machinery and tractors during the period for which this appropriation is made, from the United States, by or for the benefit of the countries participating in the European recovery program, to more than \$75,000,000.

SEC. 204. Whenever an export license for a commodity, the production or shipment of which to a nonparticipating country was contracted for in good faith prior to March 1, 1948, is denied or cannot be obtained under section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, the Administrator shall provide for the procurement of such commodity to transfer to a participating country in accordance with the requirements of such country, at not less than the contract price of such commodity to the producer or exporter, as the case may be, including any cost incurred in converting the commodity to meet the requirements of the participating country.

SEC. 205. Not less than 50 per centum of the United States export requirements of nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) for nonoccupied areas shall come from production of plants operated by or for the Department of the Army.

In addition, the Department of the Army shall make available, for the commercial production of nitrogenous fertilizer materials for domestic use, 10 per centum of the total anhydrous ammonia produced in the United States in plants operated by or for the Department of the Army, said anhydrous ammonia to be distributed as directed by the Department of Commerce, which shall give preference, in distributing said anhydrous ammonia, to producers of ammonium sulphate who were producing ammonium sulphate during the six months preceding the enactment of this Act or who shall have ceased to produce, or shall be faced with an imminent shutdown in the production of, ammonium sulphate for want of anhydrous ammonia, to the extent necessary to permit such pro-

ducers to operate. The Department of the Army is hereby authorized to produce and sell, in addition to its production for occupied areas, such nitrogenous fertilizer materials or nitrogenous compounds (including anhydrous ammonia) required for United States exports to nonoccupied areas or for the production of nitrogenous fertilizer materials for domestic use and to credit the proceeds of such sales to the appropriation for Government and Relief in Occupied Areas to the extent of the cost of such production for such sales and any balance to miscellaneous receipts of the Treasury.

SEC. 206. No funds made available under this Act shall be used by any governmental agency for the purpose of building additional commercial manufacturing plants in the United States.

SEC. 207. This Act may be cited as the "Foreign Aid Appropriation Act, 1949".

Approved June 28, 1948.

